

Annual Report 2008–09

Queensland Treasury



21 October 2009

The Honourable Andrew Fraser MP
Treasurer and Minister for Employment and Economic
Development
Level 9, Executive Building
100 George Street
BRISBANE QLD 4000

Dear Treasurer

I am pleased to present the Annual Report 2008-09 for
Queensland Treasury.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, and
- the detailed requirements set out in the Annual Reporting Guidelines for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can
be accessed at www.treasury.qld.gov.au.

Yours sincerely

Gerard Bradley
Under Treasurer

About our annual report

The *Queensland Treasury Annual Report 2008–09* is an integral part of our corporate governance framework and is one of the main tools we use to ensure we are accountable to the Queensland Parliament and the community about our activities.

This report details our achievements, performance and financial position for the 2008–09 financial year. It aligns with our strategic plan (*Treasury Corporate Plan 2008-13*), Service Delivery Statement 2008–09, and the Queensland Government's broad objectives for the community as outlined in *Toward Q2: Tomorrow's Queensland*. It also provides information on our future direction, people management and corporate governance processes.

This report is available online:

www.treasury.qld.gov.au/about/annual_report/

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Under Treasurer's report

The impacts of the Global Financial Crisis on Queensland's economy were already becoming apparent as the year began.

However, the subsequent sharp deterioration in conditions required that we revise the forecasts made in the Government's Budget and the December Mid-Year Fiscal and Economic Review. February's *Economic and Fiscal Update* reflected a much more negative outlook than expected, with contraction instead of growth in Queensland's major trading partner economies, rising unemployment and weaker economic growth.

In preparing the subsequent 2009-10 State Budget, Treasury focussed on restoring the State's strong fiscal position. The Budget included a record \$18.2 billion capital works program, to support jobs and provide for Queensland's infrastructure needs. Our team also developed revised fiscal principles that will set the foundation for the future sustainability of Queensland's finances. These principles reaffirm our commitment to fiscal sustainability, competitive taxes and balance sheet management.

While projections suggest a deficit position for Queensland until 2016-17, the Government's program of asset sales announced as part of the State Budget will play a key role in returning the Budget to surplus. The asset sales will remain a key focus for Treasury throughout the coming year.

"...challenging economic times..."

Queensland retained its position as a tax competitive state during 2008-09. Our people implemented a number of tax reform initiatives, including fully abolishing mortgage duty. Taxation reform will remain a focus in 2009-10 as 'Australia's future tax system' (the Henry Review) gathers momentum and we play a lead role in assessing the review's recommendations.

Again on the national agenda, we coordinated the Queensland Government's responses to the National Partnership Agreement to deliver a Seamless National Economy. This major reform initiative provides opportunities to streamline regulatory frameworks across Australia's jurisdictions and reduce compliance costs.

Treasury has always advocated for a fair distribution of goods and services tax (GST) revenue. We prepared the Government's submission to the Commonwealth Grants Commission for its 2010 review of GST relativities and presented a case for a simpler methodology which will better account for Queensland's needs.

In the administrative changes announced by the Premier in March, Treasury's liquor, gaming and racing functions moved to the newly formed Department of Employment, Economic Development and Innovation. Casino and gambling responsibilities were part of Treasury since their introduction into Queensland, and the later addition of liquor and racing enhanced an already robust regulatory and harm minimisation culture. I am proud of the role our colleagues have played – and will continue to play – in achieving a safe, regulated environment for Queensland communities.

In what proved a challenging year, Treasury administered some \$18.623 billion of revenue and \$4.375 billion of expenses on behalf of the State. For itself as a Government agency, Treasury earned \$217.979 million in revenue and incurred \$217.837 million in expenses. Within this overall position, our people delivered on the Government's priorities by providing financial and economic policy and advice, economic and statistical research, and efficient and equitable State taxation as well as managing the State's interests in Government-owned corporations.

The impact of the Global Financial Crisis will remain with us for some time yet. The events of 2008-09 have demonstrated the need for strong financial and economic leadership.

"...focus on restoring fiscal position..."

Gerard Bradley
Under Treasurer

2008-09 key achievements

- Assessed the impacts of the Global Financial Crisis on the Queensland economy, including publishing revised forecasts in the *Economic and Fiscal Update*.
- Developed the 2009-10 State Budget, including a record \$18.2 billion capital works program, and monitored and reviewed the 2008-09 State Budget.
- Completed the disposal of the State's assets in Cairns and Mackay airports and the State's shareholding in Brisbane Airport, proceeds of which will be invested in health services in Cairns, Mackay and Mount Isa.
- Assessed 13 Government-owned corporation investment proposals to a total value of \$1.9 billion, and collected \$1.69 billion in ordinary/special dividends and tax equivalent payments to fund critical projects such as in the water, energy, ports and rail sectors.
- Completed a review of the Government-owned ports network, with a view to improving the efficiency and effectiveness of Queensland's key ports.
- Established an Indigenous Statistics Team in partnership with the Department of Communities to improve the quality of Queensland Indigenous statistics to inform better decision making.
- Produced Queensland employment projections by industry, occupation and region for 2008-09 to 2010-11.
- Continued taxation reform by implementing a range of initiatives, including abolishing mortgage duty and increasing transfer duty exemptions for first home buyers.
- Launched the new Office of State Revenue website (www.osr.qld.gov.au), incorporating the new public rulings single-ruling system which will give clients greater certainty in how the law may apply to them.

2009-10 key priorities

- Manage the Government's infrastructure reform and asset sales program.
- Work with Government agencies to implement the new *Financial Accountability Act 2009*, the foundation of a rigorous framework to support decision making, planning and accountability.
- Assess the impacts of the Henry Review on the State's finances (and on our organisation), and implement its outcomes.
- Oversee implementation of the Government's fiscal principles.
- Evaluate Government-owned corporations capital expenditure programs budgeted at \$6.06 billion, for major investments in water, electricity, rail and ports infrastructure.
- Continue to assist with information for the Queensland Government's negotiations with the Commonwealth Grants Commission on GST relativities.
- Consolidate demographic activities by incorporating the Department of Infrastructure and Planning's Planning Information and Forecasting Unit into Treasury's Office of Economic and Statistical Research.
- Oversee the abolition of the Fuel Subsidy Scheme and continue taxation reform by increasing the transfer duty threshold for first home buyers on vacant land purchases.
- Implement Revenue Management System Release 3 for land tax, Community Ambulance Cover, grants and subsidies.

Our vision

Treasury's vision is to improve the quality of life for all Queenslanders and contribute to the Government's key priorities for the community.

Our values

We value the following behaviours among our people:

- achievement and excellence
- trust and integrity
- innovation and learning
- teamwork.

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About us

Who we are

Queensland Treasury provides economic and financial policy advice to the Queensland Government to enhance our State's financial position and economic performance. We also take a lead role in assisting the Government to be accountable and transparent in delivering services to the community.

We are responsible for three statutory authorities: the Motor Accident Insurance Commission, Queensland Treasury Corporation and the Queensland Future Growth Corporation. These authorities produce their own annual reports.

What we do

In 2008-09, our diverse responsibilities and services included:

- **Managing a strong economy and financial position**

Our fundamental role is to deliver financial and economic policy and provide advice to assist the Queensland Government in managing the State's finances and advancing the performance of the Queensland economy to support growth and employment.

- **Managing Queensland's interests in Government-owned corporations**

Through the Office of Government Owned Corporations (OGOC), we ensure Government owned corporations (GOCs') capital programs are rigorously evaluated to deliver market-like returns to shareholders and quality service to customers, while also adhering to corporate governance guidelines and statutory requirements.

- **Delivering economic and statistical research to inform Government decision making**

Our Office of Economic and Statistical Research is a centre of excellence and the Queensland Government's principal economic, statistical and social research agency. The services we provide help guide Queensland Government planning, decision making, policy development, performance evaluation and resource allocation.

- **Delivering efficient and equitable State taxation**

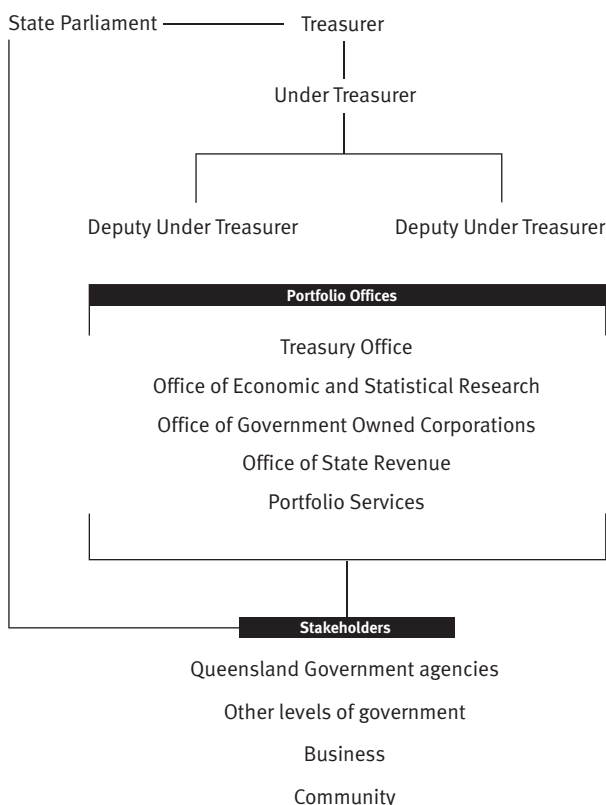
The Office of State Revenue manages Queensland's revenue base by administering State taxes, grants and subsidies schemes simply, efficiently and equitably.

How we began

Queensland Treasury has no single legislative charter. It came into existence in 1859 with the separation of the Colony of Queensland from the Colony of New South Wales. The appointment of the first Colonial Treasurer, Mr Robert Ramsay Mackenzie, was gazetted on 15 December 1859.

Our organisation

Our structure (featured below as at 30 June 2009) is organised into portfolio offices, with each office producing the outputs that help deliver contemporary, accountable and responsive government, economic success, growth in our cities and regions and safer communities in line with the Queensland Government's priorities.



Changes in Treasury

To ensure communities benefit from a robust regulatory framework and comprehensive and consistent harm-minimisation measures, Treasury's liquor, gaming and racing functions were integrated to form the Office of Liquor, Gaming and Racing (OLGR) in Treasury from 1 July 2008.

In March 2009, as part of a suite of new administrative arrangements announced by the Premier, these functions moved to the new Department of Employment, Economic Development and Innovation (DEEDI) as the Office of Liquor and Gaming Regulation and the Office of Racing. This move allows these offices to continue pursuing their regulatory and harm-minimisation objectives while fulfilling the Government's commitment to simplifying government and better delivery of front-line services.

The non-financial performance and achievements of the liquor, gaming and racing functions for 2008-09 are reported in the DEEDI annual report. The financial statements for these functions, however, are contained in this report.

From 1 July 2008, CorpTech transferred from Treasury to the Department of Public Works (DPW), taking advantage of relationships with CITEC's and DPW's whole-of-Government ICT and procurement reform initiatives. CorpTech continued working with shared service providers and agencies to develop standard public sector business solutions.

In the year ahead, the Department of Infrastructure and Planning's Planning Information and Forecasting Unit will join Treasury's Office of Economic and Statistical Research. By consolidating demographic activities, this move will enhance the knowledge base available for Government policy and decision making.

Delivering the Government’s priorities

Treasury’s outputs help deliver a strong, green, fair, smart and healthy Queensland in line with the Queensland Government’s Toward Q2 Plan.

We contribute to the Queensland Government’s ambitions ...

... and targets for Queensland ...

... by ...

Strong		
Creating a diverse economy powered by bright ideas	<p>Queensland is Australia’s strongest economy, with infrastructure that anticipates growth.</p> <p>Increase by 50 per cent the proportion of Queensland businesses undertaking research and development or innovation.</p>	<p>Delivering financial and economic policy and advice to foster infrastructure development and whole-of-Government fiscal and economic strategies.</p> <p>Providing funding for initiatives and infrastructure that will benefit the sustainability and prosperity of Queensland’s economy.</p> <p>Maximising the value of the Government’s investment in Government-owned corporations.</p> <p>Advising the Treasurer on policies to promote economic efficiency and flexibility.</p> <p>Taking a targeted and proactive approach to financial and revenue management systems and practices, and developing people to support innovative business practices.</p>

... through our diverse portfolio offices and their outputs

- Treasury Office
Financial and economic policy
- Office of Government Owned Corporations
Government owned corporations performance and governance
- Office of Economic and Statistical Research
Economic and statistical research
- Office of State Revenue
Taxation

The year in review

Financial and economic policy - page 12

Strategy	Highlights	The year ahead
Manage and coordinate the State Budget process within agreed timeframes and achieve a sound fiscal position.	Developed the 2009-10 State Budget, the <i>2007-08 Report on State Finances</i> , the <i>2008-09 Mid-Year Fiscal and Economic Review</i> and the <i>Economic and Fiscal Update</i> .	Monitor the 2009-10 State Budget. Develop the 2010-11 State Budget, the 2008-09 Report on State Finances and the 2009-10 Mid-Year Fiscal and Economic Review.
Provide financial advice to foster State-wide infrastructure development.	Completed processes to dispose of the State's interests in Cairns and Mackay airports, and the State's shareholding in Brisbane Airport.	Commence managing processes associated with the Government's infrastructure reform and sale program.
Further develop and refine the Queensland Government financial management framework.	The new <i>Financial Accountability Act 2009</i> was developed and passed by State Parliament. The Act and subordinate legislation, consisting of the <i>Financial and Performance Management Standard 2009</i> and the <i>Financial Accountability Regulation 2009</i> , will take effect from 1 July 2009.	Provide support to departments and statutory bodies to implement the requirements of the new <i>Financial Accountability Act 2009</i> and its subordinate legislation. This legislation modernises the accountability and governance arrangements applicable to Queensland's departments and statutory bodies.
Put in place a regulatory environment that supports better economic, social and environmental outcomes for Queensland.	Developed the Smart Regulation Reform Agenda, which is underpinned by a five-point action plan.	Develop the Queensland Regulatory Simplification Plan, which will detail a phased schedule of reviews by agencies of their existing regulation to achieve an overall net reduction in the regulatory compliance burden. Work with agencies to develop regulatory simplification plans to simplify and streamline unnecessary regulatory and administrative burden. Introduce a streamlined, more rigorous and harmonised set of processes to improve the quality of future legislation and regulation.

Financial summary

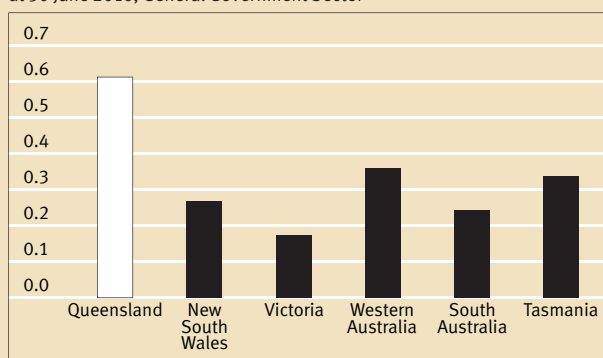
	2008-09	2007-08
State contribution	\$34.01M ¹	\$63.57M
Other income	\$17.58M ²	\$0.30M
Full-time equivalent employees	248	262

¹ Decrease due to finalisation of SEQ water reform and energy projects.

² Increase due to reimbursement of SEQ water implementation costs.

Projected ratio of financial assets to liabilities

(excluding investments in public enterprises)
at 30 June 2010, General Government Sector



Analysis: Queensland has substantial holdings of financial assets, such as equity in the State's public enterprises and assets set aside to meet future employee liabilities, relative to other states. This provides the State with a high level of liquidity, with Queensland having the highest ratio of financial assets (excluding investments in public enterprises) to liabilities of any state.

Government owned corporations (GOCs) performance and governance - page 16

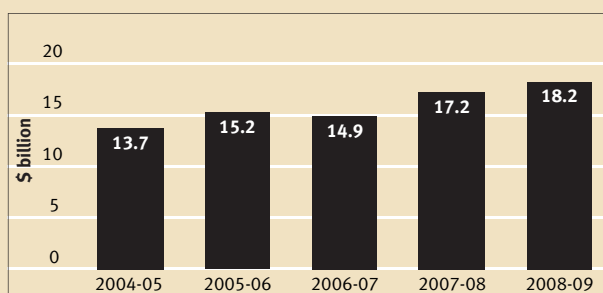
Strategy	Highlights	The year ahead
On behalf of shareholding Ministers, monitor GOCs' and Forestry Plantations Queensland's (FPQ) performance and assess investment proposals to encourage them to operate in a competitive environment and produce market-like returns.	Administered net equity injections of \$445.6 million for large capital expenditure.	Continue monitoring GOCs' performance to ensure effective and efficient service delivery to Queenslanders.
	Assessed 13 proposals valued at \$1.9 billion to ensure potential risks to the State are identified and managed.	Evaluate capital expenditure programs for 2009-10 budgeted at \$6.06 billion.
	Collected \$1.69 billion in ordinary/special dividends and tax equivalent payments (TEPs) to fund critical projects on water and energy, ports and rail.	Collect \$1.13 billion in forecast revenue in dividends and TEPs to fund Government services.
	Assessed 64 quarterly reports.	Assess 60 quarterly reports.
Review the capital structure of GOCs to determine appropriate debt and equity positions of each GOC.	With Queensland Treasury Corporation, reviewed GOCs' financial structure and prepared a report for the 2009-10 State Budget.	Continue monitoring financial structures to ensure appropriate debt-to-equity ratios.
Review the structure of Queensland's port network to determine the best structure and management framework for the State's seaports.	Completed review of Government-owned port network. Finalised arrangements to implement the approved five-port network structure effective 1 July 2009.	Finalise governance arrangements for the newly created GOC North Queensland Bulk Ports Corporation Limited.
Work with GOCs and FPQ to develop Statements of Corporate Intent (SCI) and an Operational Plan (OP) to meet Government's shareholding and legislative timeframes.	With GOCs and FPQ, finalised 15 SCIs and one OP which were agreed to by the GOC boards and FPQ and relevant Ministers by 30 June 2009.	With GOCs and FPQ, finalise 14 SCIs and one OP for 2010-11 to ensure these are agreed to by the respective boards and relevant Ministers by 30 June 2010.
Contribute to the development of the State's response to climate change initiatives of the Australian Government.	With GOCs, commenced analysis on the impacts of the State and Commonwealth mitigation policies for climate change on GOCs' operations.	Analyse the financial impacts of climate change policies on the State's budget, provide policy input on mitigation policies which affect GOCs, and ensure GOCs endeavour to reduce their carbon emissions.

Financial summary

	2008–09	2007–08
State contribution	\$5.22M	\$5.28M
Other income	\$0.48M ¹	\$1.08M
Full-time equivalent employees	37	36

¹ Decrease in external charges involving Enertrade restructuring and QR Limited.

Net assets – Government owned corporations sector



Analysis: Net assets for all GOCs have increased from \$17.2 billion in 2007-08 to \$18.2 billion in 2008-09 (\$1 billion or 5.8 per cent increase) largely due to growth in the assets of QR Ltd and ENERGEX Ltd and the inclusion of the net assets of Forestry Plantations Queensland (FPQ). From 2004-05 to 2008-09, GOCs' net assets have increased by \$4.5 billion, an overall growth of 32.8 per cent. Since 2004-05, net assets for the energy GOCs have increased by 17.3 per cent (\$1.4 billion); QR Limited by 47.4 per cent (\$1.4 billion) and ports and other GOCs including FPQ by 216.3 per cent (\$1.2 billion).

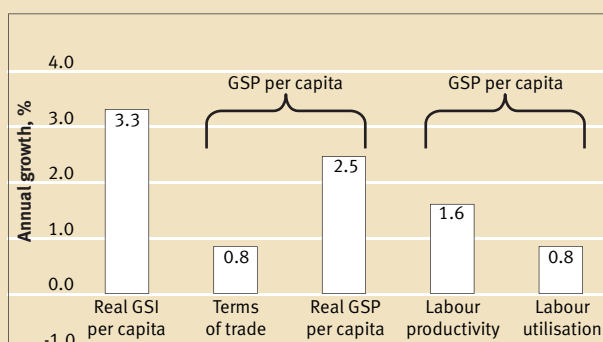
Economic and statistical research - page 20

Strategy	Highlights	The year ahead
Provide and promote a knowledge sharing and modelling capacity for the Government and the community.	Used our modelling expertise to produce Queensland employment projections by industry, occupation and region for 2008-09 to 2010-11.	Continue to produce timely employment projections to inform Queensland Government policy making as key economic conditions change as a result of the Global Financial Crisis.
Provide a broad range of statistical services to support stakeholders' evidence base for policy evaluation and performance.	Continued to provide the bi-annual Queensland Household Survey as a vehicle for Queensland Government agencies to collect official statistics on issues of importance to each agency, such as energy use and access to computers. Other surveys undertaken include the Department of Education and Training's Next Steps Survey and the Queensland Household Gambling Survey.	Provide a range of official surveys for the Queensland Government and continue to provide survey statistical consulting services to assist agencies in their policy evaluation and performance.
	Established an Indigenous Statistics Team in partnership with the Department of Communities to improve the quantity and quality of Queensland Indigenous statistics to inform Government policy making.	Provide statistical services for regular Government reports, including the Closing the Gap Report 2009-10, continue work to improve local community information and provide advice on the first stage of national Council of Australian Governments Indigenous reform reports.

Financial summary

	2008-09	2007-08
State contribution	\$9.89M	\$10.22M
Other income	\$6.61M	\$6.59M
Full-time equivalent employees	113	123

Growth in real Gross State Income (GSI) per capita, 1997-98 to 2007-08^a



^a Components may not sum to the total due to rounding

Analysis: Gross State Income (GSI) is a measure of the real purchasing power of the income generated by the State's economic output. Over the last decade, real GSI per capita grew at an average annual rate of 3.3 per cent. The main component of this growth was real Gross State Product (GSP) per capita, contributing 2.5 percentage points while favourable movements in the terms of trade added 0.8 percentage point to growth. Labour productivity (working smarter with better tools) contributed 1.6 percentage points to GSP per capita, while labour utilisation (more workers working harder) contributed the remaining 0.8 percentage point. This highlights the importance of labour productivity as the key driver of economic growth in Queensland.

Source: *Queensland State Accounts*, Office of Economic and Statistical Research, Queensland Treasury and ABS: *Australian National Accounts: State Accounts* (ABS 5220.0), *Australian National Accounts: National Income, Expenditure and Product* (ABS 5206.0) and *Labour Force* (ABS 6202.0).

Taxation - page 24

Strategy	Highlights	The year ahead
Establish positive working relationships with clients and provide information that assists them to confidently meet their obligations and receive their entitlements.	Continued to expand the range of self-assessed transactions providing support and assistance to self assessors and other clients. Undertook a red tape reduction program to reduce administrative and compliance costs for Office of State Revenue (OSR) clients through e-business initiatives including e-registration, consolidating public rulings and other initiatives.	Support OSR clients by continuing to implement new business practices and systems to reduce administrative and compliance costs. Position OSR as a leading e-business agency providing streamlined e-services. Continue expanding self assessment and the harmonisation of payroll tax administration with other jurisdictions.
	Launched OSR's new website, enabling clients to quickly locate information.	Continue to enhance OSR's communication tools, including the website, to ensure timely and reliable information to clients.
Provide responsive and ongoing legislation and revenue policy advice services to the Queensland Government.	Continued taxation reform with the abolition of mortgage duty, increases in transfer duty exemptions for first home buyers and principal place of residence concessions for other home buyers, simplification of transfer duty and land tax rate structures, extension to payroll tax deductions and a concessions package to assist older people.	Continue taxation reform by increasing the transfer duty concession threshold for first home buyers transfer duty on vacant land purchases up to \$250,000, abolishing the Fuel Subsidy Scheme from 1 July 2009, introducing a payroll tax rebate for apprentices and increasing the land tax payment period from 30 days to 90 days.
Develop and maintain simple, efficient and equitable revenue management services.	Continued development of Revenue Management System (RMS) Release 3 – land tax, Community Ambulance Cover, grants and subsidies – which allows online assessment and payment by businesses.	Implement RMS Release 3 in the second half of 2009, which places all revenue streams in a common system with a strong e-business focus.
	Delivered compliance elements of Revenue Base Management Release 2 (Duties) – home concessions and self assessor management.	Develop and implement Revenue Base Management Release 3 to include land tax and grants and subsidies.

Financial summary

	2008–09	2007–08
State contribution	\$64.99M ¹	\$57.95M
Other income	\$5.69M	\$5.04M
Full-time equivalent employees	481	498

¹ Increased funding for CBRC approved programs including Revenue Management System project.

Revenue, grants and subsidies under management



Analysis: The Global Financial Crisis, evidenced by a combination of tight credit conditions and weak consumer sentiment, has impacted on duties collections, primarily through weak transfer and vehicle registration duty collections.

Output reports

Treasury delivers four diverse outputs. This section provides a detailed assessment of our output performance achievements delivered by portfolio offices.

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Financial and economic policy

Treasury Office provides financial and economic policy advice to the Queensland Government. It also develops and implements whole-of-Government fiscal and economic strategies to achieve the Government's priorities, and advance the performance of the Queensland economy to support growth and employment.

Structure

Under Treasurer	Gerard Bradley
Deputy Under Treasurer	Tim Spencer
Deputy Under Treasurer	Alex Beavers
Assistant Under Treasurer	John O'Connell
Director, Resources and Economic Development	Natalie Barber
Director, Transport, Infrastructure and Government Services	Drew Ellem
Assistant Under Treasurer	Dr Gary Ward
Director, Fiscal and Taxation Policy	Leigh Pickering
Assistant Under Treasurer	Walter Ivessa
Director, Health and Community Services	Janelle Thurlby
Director, Education and Justice	Tina Davey
Assistant Under Treasurer	Ian Munro
Commercial Advisor	John Frazer
Directors, Commercial	Ben Flynn and Liam Gordon
Director, Financial Management	Sue Highland
Assistant Under Treasurer	Ken Sedgwick
Director, Economic and Structural Policy	Lynne Bulloch
Director, Queensland Office for Regulatory Efficiency	Peter McKenna

Our clients

Treasury Office develops and implements whole-of-Government fiscal policy for the Treasurer and Government. It also provides fiscal policy, financial management, budgetary accounting, and policy and project evaluation advice to Queensland Government agencies and statutory bodies. The Office also communicates and consults with Queensland business and the community about regulatory proposals and reform initiatives.

Vision

For Queensland's long-term fiscal and economic performance to lead Australia.

Mission

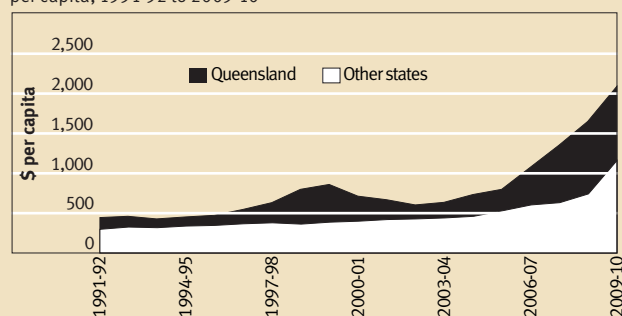
We strive to:

- provide leadership in financial and economic policy development
- advance the performance of the Queensland economy to support growth and employment
- maintain the integrity of the State's finances in accordance with the new *Charter of Fiscal Responsibility*
- promote value-for-money service delivery which meets Queenslanders' needs.

Key issues facing the output

- Against a backdrop of weaker revenue growth due to the global economic conditions, Treasury Office will continue to play a key role in strengthening State finances and managing the impact of the Global Financial Crisis on the Queensland economy.
- Over the coming year, Treasury will begin the management of the Government's infrastructure reform and asset sales program. This staged program includes the sale of the business/assets of:
 - Forestry Plantations Queensland
 - Queensland Motorways Limited
 - Port of Brisbane Corporation
 - Queensland Rail's above and below rail coal business
 - Ports Corporation of Queensland Limited's Abbot Point Coal Terminal.

General Government purchases of non-financial assets, per capita, 1991-92 to 2009-10



Analysis: For the General Government sector, capital spending in 2009-10 is estimated to be \$9.270 billion, an increase of 29.9 per cent on the record 2008-09 figure, with the increase largely resulting from Queensland's partnership with the Australian Government.

In per capita terms, it is estimated that the Queensland Government's capital spending in the General Government sector will be around 80% above the average of the other states, at \$2,083 per person. Among the states, Queensland has the highest capital expenditure per person in 2009-10, 20.3 per cent above next-highest Western Australia, which is also experiencing rapid growth in capital spending.

The sale program is expected to deliver an estimated \$15 billion in sale proceeds and avoid approximately \$12 billion in required capital investment over the next five years. It will play an important role in reducing forecast debt levels, funding the Government's infrastructure program and encouraging private sector provision of infrastructure.

- Implementing the requirements of the new *Financial Accountability Act 2009*.

Output performance highlights

Quantity	Notes	Target	Actual
• Quarterly reports on financial position within six weeks of quarter end		4	4
• Number of written pieces of portfolio resource allocation advice provided	1	1,500	1,803
• Number of written pieces of intergovernmental relations advice provided	2	700	442
• Number of written pieces of fiscal, taxation policy and financial management advice provided	3	800	660
• Number of written pieces of infrastructure policy advice provided	4	350	517
Quality	Notes	Target	Actual
• Adherence to fiscal objectives as described in the Charter of Social and Fiscal Responsibility	5	100%	partial
• Compliance with the Uniform Presentation Framework requirements and relevant Australian Accounting Standards for whole-of-Government financial reporting		100%	100%
Timeliness	Notes	Target	Actual
• Achievement of key milestones in the budget process		100%	100%
• Achievement of key milestones in the Report on State Finances process		100%	100%
• Data provision to the Commonwealth Grants Commission and Australian Bureau of Statistics within agreed timeframes		100%	100%
Cost	Notes	Target	Actual
• Cost of portfolio resource allocation advice	6	\$6.45M	\$5.75M
• Cost of economic and intergovernmental relations advice	7	\$1.46M	\$1.15M
• Cost of fiscal, taxation policy and financial management advice	8	\$5.27M	\$4.75M
• Cost of infrastructure policy advice	9	\$2.74M	\$3.88M
Variances			
1 Increase is due to request for incoming Government briefs during 2008-09 caretaker period and the announcement of 2009-10 Budget.			
2 Decrease is due to internal restructure.			
3 Decrease is due to transfer of one function of Financial Management Branch to Department of the Premier and Cabinet. In addition, fewer pieces of written advice were requested than originally anticipated.			
4 Increase follows internal restructure.			
5 Due to the current economic and fiscal outlook the Government did not meet all its fiscal objectives in 2008-09.			
6 Variance is due to unanticipated staff vacancies.			
7 Decrease is result of internal restructure.			
8 Variance is due to unanticipated staff vacancies.			
9 Increase is due to internal restructure (see note 7).			

Goal

Manage the State's finances, advance the performance of the Queensland economy, and provide policy, strategies and advice at a whole-of-Government level to promote value-for-money service delivery.

Strategy

Manage and coordinate the State Budget process within agreed timeframes and achieve a sound fiscal position*.

Economic and fiscal leadership charts course to recovery

The economic and financial conditions arising from the Global Financial Crisis have had significant adverse effects on Queensland's financial position.

Throughout this period,

Treasury has continued to provide strong economic and financial leadership to help guide the Queensland economy through these times and secure the future sustainability of Queensland's finances.

In 2008-09, Treasury coordinated the 2009-10 State Budget. At the centre of this Budget is an \$18.2 billion capital works program to support 127,000 Queensland jobs. This program will be maintained against a drop in forecast key revenue sources of more than \$15 billion across the forward estimates. This has had a negative impact on Queensland's operating position, with Queensland budgeting for a deficit of \$1.954 billion in 2009-10.

The Budget also implements revised fiscal principles to chart a course back to a strong fiscal position. These principles are broadly based around the three themes of fiscal sustainability, competitive taxes and balance sheet management.

To continue the Queensland Government's commitment to fiscal transparency and accountability, we also prepared the *2007-08 Report on State Finances*. The report highlighted the strength of the State's balance sheet in 2007-08, with net worth increasing to \$155.178 billion.

We also prepared the *Major Economic Statement – Mid-Year Fiscal and Economic Review*, which provided a revised, mid-year update on Queensland's fiscal and economic outlook for the 2008-09 Budget year and following three years. The Major Economic Statement also announced a number of policy measures designed to improve the State's structural fiscal position.

Given the sharp deterioration in global economic conditions, we prepared an update to the economic and fiscal forecasts released in the Government's Budget and Major Economic Statement. Released in February 2009, the *Economic and Fiscal Update* provided an update of key economic indicators for Queensland and revised forecasts of the State's fiscal position.

* The final position for the 2008-09 Budget will be available with the release of the *Report on State Finances*.

Strategy

Provide financial advice to foster State-wide infrastructure development.

Asset sales to secure infrastructure investment

In 2008-09, we completed all processes to dispose of the State's interests in Cairns and Mackay airports, and the State's shareholding in Brisbane Airport.

To protect Queensland's \$18.2 billion capital program while maintaining a prudent fiscal approach, the Queensland Government has embarked on a significant infrastructure assets reform and sale program.

In 2009-10, we will commence managing the Government's infrastructure reform and sale program, including investigating divestment options and preparing for asset sales divestment of the following assets:

- Forestry Plantations Queensland
- Queensland Motorways Limited
- Port of Brisbane Corporation
- Queensland Rail's above and below rail coal businesses
- Ports Corporation of Queensland Limited's Abbot Point Coal Terminal.

Options involving the potential sale of Queensland Rail's bulk, intermodal, retail and regional freight services will also be investigated. The infrastructure reform and sale program is expected to last 3-5 years and will help secure the long-term economic prosperity of these assets.

Partnerships help Queensland schools

In 2008-09, we also helped manage the South East Queensland Schools Public Private Partnership transaction, including providing assistance with negotiations and financial close processes. In 2009-10, we will continue to oversee and provide advice on risk exposures and financial and commercial issues associated with key infrastructure projects and potential Public Private Partnership projects.

Strategy

Further develop and refine the Queensland Government financial management framework.

Harnessing the power of solid financial management frameworks

In order to provide sound economic and financial leadership to the Queensland Government, we require a rigorous

financial management framework that can keep pace with a rapidly changing external environment to inform Government decision making, planning, resource allocation and performance management.

In 2008-09, we developed new financial management legislation for departments and statutory bodies. The new *Financial Accountability Act 2009* and its subordinate legislation, consisting of the *Financial and Performance Management Standard 2009* and the *Financial Accountability Regulation 2009*, will commence from 1 July 2009. This legislation modernises accountability and governance arrangements.

It also provides greater discretion to executives to optimise resource allocation and tailor systems which better meet their administrative needs and legal obligations.

Looking forward to 2009-10, we will continue to provide support to departments and statutory bodies to implement the requirements of the new *Financial Accountability Act 2009* and its subordinate legislation, conducting information sessions and releasing the new Financial Accountability Handbook.

Strategy

Manage and coordinate the Queensland Government's contribution to the Council of Australian Governments Business Regulation and Competition Working Group, and other relevant national activities.

Partnership delivers improvements to regulatory environment

In 2008-09, we committed to the National Partnership Agreement to Deliver a Seamless National Economy to improve the efficiency and inter-jurisdictional harmonisation of the regulatory environment in 36 key reform areas. The agreement is intended to

deliver reductions in unnecessary and inconsistent regulation across jurisdictions, which will reduce business compliance costs, and improve processes for regulation-making and review.

In 2009-10, we will oversee the achievement of Queensland's commitments under the agreement. We will also promote Queensland's position in negotiations with the Australian Government, and other states and territories.

Strategy

Put in place a regulatory environment that supports better economic, social and environmental outcomes for Queensland.

Focus on regulatory reform pays dividends

The Queensland Government is increasing the momentum on regulatory reform to reduce barriers to trade and commerce between Queensland and the rest of Australia, and reduce the regulatory burden for Queensland business.

The Queensland Government is implementing an innovative five-point action plan under the Queensland Smart Regulation Reform Agenda to reduce Queensland Government agencies' stock of regulation, and improve the quality of new regulation and the business-government interface.

These initiatives aim to reduce unnecessary regulatory compliance burden to deliver productivity benefits and measurable savings to Queensland business, the community and Government. The compliance and administrative cost to business and Government will be reduced by \$150 million each year by 2012-13.

In 2008-09, \$70 million in quantifiable regulatory savings was reported in the *2007-08 Smart Regulation Annual Report*. In 2009-10, we will report the Government's regulatory reform objectives and achievements to business, community and Government through the 2008-09 Smart Regulation Annual Report.

Smarter regulation – better for business

The Queensland Government is committed to maintaining a competitive regulatory environment that drives innovation, and enhances the productivity capacity and competitiveness of the Queensland economy.

Smarter, streamlined regulation allows Queensland businesses to spend more time focused on their business and less time complying with regulations. It also reduces the administrative burden on government, allowing for a greater focus on delivering frontline services.

Through the Smart Regulation Reform Agenda, the Queensland Office for Regulatory Efficiency (QORE) in Treasury is striving to:

- engender a cultural change in the way regulation is developed
- raise awareness about regulatory best practice
- increase the skill and expertise of Queensland Government policy officers.

QORE partners with Queensland Government agencies to ensure the Smart Regulation Reform Agenda delivers real benefits to business, community and government. Recent highlights include:

- working with Queensland Government agencies to implement commitments under the Council of Australian Governments' Seamless National Economy agenda
- establishing an initial target of reducing the regulatory compliance burden to business and the administrative

burden to Government by \$150 million each year by the end of 2012-13.

In 2009-10, QORE will continue to work closely with agencies to create a smart regulatory environment that supports better economic, social and environmental outcomes for Queensland business, community and government.

a cultural change in the way regulation is developed



Read more about smarter, streamlined regulation in the Smart Regulation Annual Report at www.treasury.qld.gov.au/knowledge

Government owned corporations performance and governance

The Office of Government Owned Corporations (OGOC) manages the State Government's shareholding relationship with the Government owned corporations (GOCs) by working closely with the departments of portfolio Ministers with shareholding responsibilities.

This includes providing advice to shareholding Ministers on the State's ownership and administration of 15 GOCs, and providing oversight, high-level advice and leadership on strategic policy, governance and fiscal issues impacting on GOCs. The 15 GOCs in Queensland operate in energy, transport, water and financial sectors. Read the full list of GOCs on page 18.

In addition, OGOC is working closely with Forestry Plantations Queensland (FPQ) to monitor its performance. Although FPQ is not a GOC under the *Government Owned Corporations Act 1993*, OGOC has been assigned to manage FPQ's relationship with its responsible Ministers.

Our clients

We provide diverse services to a wide range of clients encompassing:

- shareholding Ministers
- Government
- business
- other sectors (funds management and water resources).

Services to these clients include:

- providing critical analysis and assessment of GOC operations and investments, ensuring a rigorous, efficient and effective GOC governance regime
- building and maintaining effective client relationships
- conducting structural reviews to ensure an economic, reliable and efficient delivery of services
- developing strategic advice and medium-to-long-term policy objectives for individual GOCs and the GOC sector as a whole, as well as advising GOCs of shareholding Ministers' requirements and decisions and facilitating their implementation
- providing oversight, high-level advice and leadership in strategic policy, governance, budgetary and fiscal issues affecting Queensland GOCs.

Structure

Under Treasurer	Gerard Bradley
Deputy Under Treasurer	Tim Spencer
Deputy Under Treasurer	Alex Beavers
Executive Director	Adrian Noon
Deputy Executive Directors	Richard Somerville and Pauline Elliott
Director, Energy	Stephen Hoult
Director, Transport, Resources and Corporate	John Lawlor
Acting Director, Strategic Advisory	Reg Prakash

Vision

To provide high-level quality commercial, strategic and policy advice in relation to the Government's portfolio of GOCs.

Mission

To lead the management of the State's interests in its GOCs, encouraging them to achieve market returns on that investment, while at the same time ensuring GOCs provide high-quality infrastructure and related services that meet appropriate corporate governance standards.

Key issues facing the output

- Queensland's annual electricity consumption over the last three years averaged approximately 47,837 gigawatt hours and is expected to grow at an annual average of 3.2 per cent over the next three years to 2010-12.
- The growing population and competing demands for services and infrastructure require substantial capital investment amidst falling revenues due to the economic slowdown and limited/tight lending facilities resulting from the Global Financial Crisis.
- For 2009-10, GOCs have budgeted \$6.06 billion for major investment in water, electricity, rail and ports infrastructure that will require debt funding of \$3.8 billion.
- The introduction of the Carbon Pollution Reduction Scheme (CPRS) in 2010-11 may lead to falls in the asset values of coal-fired generators, including the black coal electricity generators owned by Queensland's GOCs. Also, under the CPRS, coal-fired generators may find it difficult to pass on to customers in the wholesale energy markets all their carbon permit costs, which may result in decreased revenues.
- The Government has announced sale processes for significant infrastructure assets, which affect five Government-owned corporations (including FPQ, a corporation sole). Due to the complexity of such processes and the need to undertake detailed due diligence and structural planning, the Government envisages that the sales of these assets will be progressed in the market over the next three to five years.

Output performance highlights

Quantity	Target	Actual
Number of GOC Statements of Corporate Intent and Operational Plans completed	16	16
Number of quarterly performance monitoring reports completed	64	64
Timeliness	Target	Actual
Percentage of Statements of Corporate Intent and Operational Plans received and reviewed within the scheduled timeframe	95%	95%
Cost	Target	Actual
Cost of monitoring and governance per GOC	\$220,000	\$220,000

Goal

Manage the State's interest in the GOC sector to maximise the Government's return on investment while ensuring reliable and secure service delivery.

Strategy

Monitor GOCs' operational and financial performance and assess investment proposals to encourage GOCs to operate in a competitive environment and produce market-like returns from their operations.

Collecting funds for critical infrastructure

We play a critical role in collecting dividends and tax equivalent payments from GOC operations to help fund the critical infrastructure needs of our growing State. In 2008-09 we collected \$1.69 billion in funds for critical infrastructure projects on water and energy, ports and rail.

In 2009-10, we forecast we

will collect \$1.13 billion in funds to contribute towards essential capital projects.

Building Queensland

Queensland is currently undertaking the largest capital program in our State's history and GOCs are contributing with their own large capital expenditure. In 2008-09 we supported GOCs with a net equity injection of \$445.6 million on behalf of shareholding Ministers. In 2009-10, GOCs have budgeted \$6.06 billion for their capital expenditure programs which includes electricity distribution network upgrades worth \$3.2 billion.

Developing efficient and effective service delivery

We are committed to ensuring Government funds contributed to GOCs provide a sound investment of public money. We review quarterly reports on operational and financial performance of all GOCs to ensure the most efficient and effective service delivery. In 2008-09 we reviewed 64 quarterly reports.

We also improved the performance monitoring and reporting framework for energy GOCs to better manage the Government's significant investment.

In 2009-10 we will continue to monitor GOCs' overall performance ensuring Queenslanders benefit with a return on investment and better community services. We will also roll out the improved reporting templates and frameworks to the remaining GOCs.

Protecting the State's investments

When large investments are proposed by GOCs, we review the proposals to ensure potential risks to the State are identified and managed. In 2008-09 we reviewed 13 investment proposals valued at \$1.9 billion, including:

- Tarong Energy's acquisition of 50 per cent share of Tarong North Power Station (not already owned)
- Powerlink's North Queensland Transmission Reinforcement – Stage 3
- Ergon Energy's contract with Caltex Australia Pty Ltd for fuel and lubricants
- Gladstone Ports' Wiggins Island Coal Terminal Feasibility Funding Agreement
- QR's Australian Eastern Railroad Pty Ltd's two rail haulage agreements with Mount Isa Mines Limited (Xstrata)
- QR's Network Coal Rail Transportation Agreement with Excel Coal Limited (Peabody)
- SunWater's Cloncurry Pipeline.

Strategy

Review the capital structure of GOCs to determine the most appropriate debt and equity positions of each GOC.

Balancing financial structures

In 2008-09, we worked with Queensland Treasury Corporation to review GOCs' financial structure and prepare a report for the 2009-10 State Budget. In 2009-10, we will continue monitoring financial structures to ensure an appropriate debt-to-equity ratio.

The 15 Government owned corporations

Energy

CS Energy Limited
ENERGEX Limited
Ergon Energy Corporation Limited
Queensland Electricity Transmission Corporation Limited (Powerlink Queensland)
Stanwell Corporation Limited
Tarong Energy Corporation Limited

Funds management

Queensland Investment Corporation Limited

Ports

Cairns Ports Limited
Gladstone Ports Corporation Limited
Mackay Ports Limited
Port of Townsville Limited
Port of Brisbane Corporation Limited
Ports Corporation of Queensland Limited

Rail

QR Limited

Water

SunWater Limited

Stronger future for Queensland's ports

Queensland's future growth relies on a port network that continues to meet our State's changing transport and logistic needs.

Following the Government's decision in 2008 to divest its investment in the Mackay and Cairns airport assets, Queensland's port network structure was reviewed. This review delivered recommendations to strengthen Queensland's ports and nurture regional growth and trade.

The new structure reduces the number of port authorities from six to five, with Ports Corporation of Queensland Limited (PCQ) and Mackay Ports Limited amalgamated into a new Government-owned corporation – North Queensland Bulk Ports Corporation Limited. This new entity will manage the bulk-commodity ports of Weipa, Hay Point, Abbot Point, Mackay and Maryborough.

Strategy

Review the structure of Queensland's port network to determine the best structure and management framework for the management of the State's seaports.

structure to take effect from 1 July 2009.

In 2009-10 we will be implementing the five-port authority framework approved by the Government. We will also be finalising governance arrangements for the newly created GOC North Queensland Bulk Ports Corporation Limited.

Efficiently managing the State's assets

In 2008-09 we completed the review of the Government-owned port network. The Government approved the implementation of a five-port authority framework and arrangements for the new port network structure were finalised, allowing the new

In 2009-10, we will continue working with GOCs and FPQ to ensure the legislative timeframes are met and the 2010-11 Statements of Corporate Intent and 2010-11 Operational Plan are agreed to by the GOC boards and shareholding/responsible Ministers by 30 June 2010.

Strategy

Contribute to the development of the State's response to climate change initiatives of the Australian Government.

Reducing the State's carbon footprint

State and Commonwealth mitigation policies for climate change will affect GOCs. In 2008-09, we worked with GOCs to understand what impact policies such as the proposed Carbon Pollution Reduction Scheme and

Renewable Energy Target would have on GOCs' operations.

In 2009-10, we will continue to analyse the financial impact climate change policies may have on the State's budget position. We will also continue providing policy input where GOCs are affected and work with GOCs to ensure they are taking appropriate action to reduce their carbon emissions and develop sustainable business strategies.

Strategy

Work with GOCs and Forestry Plantation Queensland (FPQ) to develop Statements of Corporate Intent and an Operational Plan in accordance with Government's shareholding and legislative timeframes.

Planning for the year ahead

Every year, all GOCs produce a Statement of Corporate Intent which is a formal agreement between GOCs and their shareholding Ministers. This agreement outlines GOC objectives, strategies, expected financial performance and borrowings, and project undertakings for the year. This comprehensive agreement covers all the

GOC's outputs and expectations for the year and must be finalised and agreed to before the start of each financial year. Also, FPQ produces its Operational Plan, which is the formal performance agreement between FPQ and its responsible Ministers.

In 2008-09, we collaborated with the GOCs and FPQ to help finalise the 15 Statements of Corporate Intent and one Operational Plan which were agreed to by the GOC boards/FPQ and shareholding/responsible Ministers by 30 June 2009.

Cairns Port Limited has been renamed Far North Queensland Ports Corporation Limited and will now manage a number of ports previously managed by PCQ including Mourilyan, Cooktown, Cape Flattery, Karumba, Skardon River, Thursday Island, Quintell Beach and Burketown.

Other changes include the Port of Townsville Limited now managing the Port of Lucinda (also previously managed by PCQ) and Gladstone Ports will manage the Port of Bundaberg.

These changes will help improve the efficiency and effectiveness of Queensland's key ports, and ensure they are well placed to support the State's growth.

Ship berthed at the Port of Mackay, managed by North Queensland Bulk Ports Corporation Limited.



Economic and statistical research

The Office of Economic and Statistical Research (OESR) is the principal economic, demographic and social research agency for the Queensland Government. It provides whole-of-Government economic and statistical research services to support major Government initiatives and priorities, including statistics, modelling and data management.



Our clients

OESR provides services internally to Queensland Treasury and the Queensland public sector at large, and liaises and works with other jurisdictions. We also provide 'public good' services, primarily statistics and other information, to the Queensland community.

Structure

Under Treasurer	Gerard Bradley
Deputy Under Treasurer	Tim Spencer
Deputy Under Treasurer	Alex Beavers
Government Statistician	Dr Peter Crossman
Deputy Government Statistician	Antony Skinner
Assistant Government Statistician (Statistical Policy)	Tim Barker
Assistant Government Statistician (Surveys)	Penny Marshall
Assistant Government Statistician (Information Products and Services)	Greg Pole
Assistant Government Statistician (Business Services)	Sarah Sawyer
Assistant Government Statistician (Coordination)	Anneke Schmider

Vision

Knowledge leaders for smarter decision making.

Mission

To support Government and community outcomes through our outputs of data, coordination, intelligence and research.

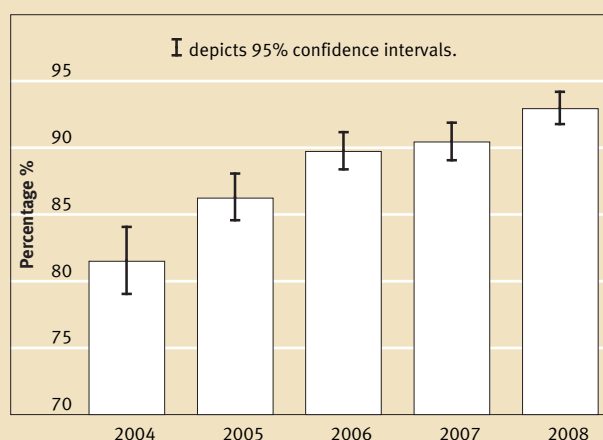
Key issues facing the output

- Increasing demand for surveys and other statistical analysis to contribute rigorous evidence to Government programs which underpin the Queensland Government's *Toward Q2: Tomorrow's Queensland Plan*.
- Supporting the development of Treasury's analytical capabilities to inform positions on economic reform issues and developments in macroeconomic conditions so the Queensland Government can meet the challenges of the future.
- Continuing demand for timely and high quality State and regional statistics, including demographic, to support key Queensland Government and national initiatives that meet the needs of our growing population.
- Effective delivery of cross-sector collaboration to improve the collection and delivery of statistics, and strategic economic and social information for the benefit of the Government and community.

Output performance highlights

Quantity	Notes	Target	Actual
Responses to ad hoc requests for information	1	2,800	3,756
Formal products and services delivered to Treasury Office	1	150	332
Formal products and services delivered to other Government agencies	2	450	396
Quality	Notes	Target	Actual
Stakeholder and client satisfaction with outputs (rated satisfied or very satisfied)		90%	100%
Timeliness	Notes	Target	Actual
Delivery of outputs within timeframes agreed with clients (excludes internet services)		90%	88%
Cost	Notes	Target	Actual
Revenue from fee-for-service outputs	3	\$5.8M	\$4.4M
Variances			
<ol style="list-style-type: none"> Increased requests for information e.g. as a result of the Global Financial Crisis. Responsibility for selected functions was transferred to the Department of Environment and Resource Management reducing requests from other Government agencies to OESR for information. Recouped expenditure of \$1.4M is no longer deemed to be fee-for-service. 			

Estimated percentage of households with computers who have access to the internet or email, Queensland June 2004 to June 2008



Analysis: The data gathered by the bi-annual Queensland Household Survey support Government policy making. Last year's survey revealed that households' access to the internet or email increased by about 10 percentage points between June 2004 and June 2008. Nine out of ten households with computer access could access the internet or email in 2008.

Source: Queensland Household Survey, June 2004, June 2005, June 2006, June 2007, June 2008

Goal

Provide statistical and economic services to improve planning, decision making, policy development, performance evaluation and resource allocation for Queensland.

Strategy

Maintain current expertise in econometric modelling for policy evaluation.

Econometric modelling informs Government's response to global downturn, revenue decline

In 2008-09, we evaluated the Commonwealth Grants Commission (CGC)

methodology used to calculate Queensland's share of goods and services tax (GST). The CGC is an independent statutory authority responsible for making recommendations on the distribution of general revenue assistance to the states and territories. Our review involved a rigorous evaluation of the economic theory and econometric techniques underpinning the CGC approach.

In 2009-10, we will continue to assist with compiling information for the Queensland Government's negotiations with the CGC regarding the adjustment to relativities. The emphasis will be on ensuring the CGC's 2010 review incorporates a simpler, more acceptable methodology to ensure an equitable revenue distribution that takes into account the Queensland Government's real and immediate expenses of building infrastructure for our rapidly growing population.

Also in 2008-09, we undertook extensive analysis of the implications of the Global Financial Crisis, its flow-on effects for the Queensland economy and its ultimate implications for Queensland. We also produced an additional set of forecasts for the *Economic and Fiscal Update*.

In 2009-10, we will continue to produce timely advice to the Queensland Government on developments in the Queensland economy during this cyclical economic downturn. We will do this by monitoring both international and domestic conditions, and continuing to improve our economic modelling and forecasting expertise.

Strategy

Provide and promote a knowledge sharing and modelling capacity for Government and the community.

Modelling secures clearer picture of employment, climate change

Our economic modelling efforts provide an enhanced understanding of Queensland's economic structure and the drivers of economic growth to inform

forecasts of the effects of policy decisions made by the Queensland Government.

In 2008-09, we used our modelling expertise to produce Queensland employment projections by industry, occupation and region for 2008-09 to 2010-11.

Looking forward to 2009-10, we will continue to produce timely employment projections to inform Queensland Government policy making as key economic conditions change as a result of the Global Financial Crisis.

In 2008-09, we again used modelling to better understand the impacts of climate change and emissions trading on the Australian economy for the Garnaut Climate Change Review.

In the year ahead, we will continue to provide modelling and advice to the Queensland Government on the likely impacts of emissions trading and other complementary measures on the Queensland economy.

Keeping 'stock' of Queensland's productivity growth

In 2008-09, we continued to develop and extend the estimates of capital stock of all Australian states and territories to provide a better understanding of Australia's relative productivity growth.

In 2009-10, we will again use capital stock estimates to develop further economic productivity estimates so the Government can frame policy to help secure long-term economic prosperity for Queensland.

Strategy

Provide a broad range of statistical services to support stakeholders' evidence base for policy evaluation and performance.

Data and information systems support Government policy making

In 2008-09, we provided forecasts and analysis of the structure and performance of the Queensland labour market. Looking forward to

2009-10, we will continue

to provide advice to the Government on labour market trends to help inform decision making to support an increase in the number of people employed in Queensland by 100,000 over the next three years.

Also in 2008-09, we continued to coordinate the bi-annual Queensland Household Survey for Queensland Government agencies to collect official statistics on issues of importance to each agency, such as energy use and access to computers. Other surveys undertaken include the Department of Education and Training's Next Steps Survey and the Queensland Household Gambling Survey.

In 2009-10, we will again offer the Queensland Household Survey and provide survey statistical consulting services to assist agencies in their policy evaluation and performance. We also plan to conduct a major labour force survey.

Also in 2008-09, we developed and delivered a customised statistical information system to the Department of Communities for the non-profit community services sector. The Community Service Information System provides community organisations with access to high-quality data on Queensland regions. The application is a key deliverable of the Queensland Compact – a partnership agreement between the Government and non-profit community services sector to work together productively for the collective benefit of the community.

In 2009-10, we will continue to maintain and update the Community Service Information System and other custom-built statistical information systems, including statistical indicator catalogues, to promote access to the very best evidence for Government and community users.

Collaboration paves way for improved Indigenous statistics

In 2008-09, we established an Indigenous Statistics Team in partnership with the Department of Communities to improve the quantity and quality of Queensland's Indigenous statistics to inform Government policy making.

In the year ahead, we will coordinate and analyse Indigenous data for key Queensland Government reports, including the Closing the Gap Report 2009-10 and continue work to improve local community information.

Strategy

Enhance and expand official surveys and methodology capabilities.

Improved efficiency supports expanded survey capabilities

By achieving internal survey efficiencies and meeting survey certification standards, we have been able to deliver enhanced survey outcomes to

agencies to better inform Government planning and service delivery.

In 2008-09, we improved survey efficiencies by decreasing survey interviewing costs by 25 per cent and increasing survey interviewing productivity by 30 per cent.

We also undertook a number of projects to maintain Quality Management System certification requirements, including reviewing and improving current survey and research processes and practices, conducting internal audits and integrating responses to clients, and project evaluation. This work has helped maintain the quality of our survey capabilities and has enabled us to provide quality assurance to Government agencies.

In 2009-10, we will identify and address areas for continuous improvement in survey process efficiencies, including the development of new personal and household survey frames. We will also maintain certification for the Quality Management System to support the provision of high quality survey and research services to Government agencies.

Partnerships help 'bridge the gap' on Indigenous disadvantage

With governments around the nation working to bridge the gap on Indigenous disadvantage, the Queensland Government is using statistical partnerships to improve decision making.

In 2008-09, OESR, in partnership with the Department of Communities, formed the Indigenous Statistics Team (IST) to improve statistics available to the Queensland Government and to the broader community.

During the year, the team's partnership with the Australian Bureau of Statistics (ABS) continued with work on improving Census information available for Indigenous councils and other agencies, and providing advice on key indicators such as Indigenous life expectancy estimates.

The IST also advised the Queensland Government on the proposed Council of Australian Governments' performance indicators and measures for the National Indigenous Reform Agreement. The team also coordinated and analysed Indigenous data for key Queensland reports such as the first Queensland *Closing the Gap Report 2007-08*.

Looking towards 2009-10, the team will continue to build partnerships with government agencies such as Queensland Health, Queensland Police Service, Department of Education and Training, the Department of Communities' Child Safety Services and the ABS to help improve the quality and quantity of statistics about Indigenous Queenslanders.

**better
information
for better
decision
making**



Assistant Government Statistician Tim Barker (pictured), along with other colleagues in OESR, worked closely with Indigenous councils and other bodies to improve statistics for decision making.

Taxation

The Office of State Revenue (OSR) delivers and administers revenue management services for Queensland taxes, grants and subsidies. This includes collecting revenue (comprising duties, payroll tax, land tax, Community Ambulance Cover levy and gambling taxes), administering various grants and subsidies, and conducting compliance and debt recovery activities.

OSR also provides legislative and policy advice to the Queensland Government to help maintain and improve the State's revenue system. The Office also conducts revenue forecasting and trend analysis to help secure Queensland's revenue base into the future.

Change ahead for taxation output

To better reflect the activities of the Office of State Revenue, from 2009-10 the taxation output will be known as 'revenue management'.

Our clients

OSR works with Queensland taxpayers, grant and subsidy recipients, and their agents and professional advisers to help them meet their obligations and receive their entitlements. We also provide legislative and policy advice, revenue forecasting, and trend analysis to the Queensland Government.

Structure

Under Treasurer	Gerard Bradley
Deputy Under Treasurer	Tim Spencer
Deputy Under Treasurer	Alex Beavers
Commissioner and Executive Director	David Smith
Deputy Commissioner	Allan Mason
Director, Policy and Legislation	John Marken
Director, Grants and Subsidies	Wendy Joosen
Director, Investigations	Simon McKee
Deputy Commissioner	Martin Schwede
Director, Taxes	Richard Jolly
Director, Client Management	David Elson
Deputy Commissioner	Tony Kulpa
Director, Business Development	Liam Cooke
Director, Corporate Capability	Liz Wells
Director, Strategy	Helen Wootton

Vision

First choice revenue managers.

Mission

To deliver and administer simple, efficient and equitable revenue management services for State taxes and grants and subsidy schemes.

Key issues facing the output

- Assisting companies and individuals during the Global Financial Crisis, ensuring they are aware of and meet their revenue obligations through increased client engagement and targeted revenue compliance activity.
- Providing rapid implementation of budget changes which support Queenslanders during the Global Financial Crisis, including implementing flexible payment options and debt instalment plans, and increasing efforts to process repayments as quickly as possible.

Output performance highlights

Quantity	Notes	Target	Actual
Amount of revenue, grants and subsidies administered	1	\$9.8B	\$8.7B
Number of amendment provisions including subordinate legislation developed	2	5	7
Number of First Home Owner Grant (FHOG) applications paid	3	30,600	34,465
Number of fuel subsidy payments	4	20,000	16,507
Quality	Notes	Target	Actual
Client satisfaction with service provided		70%	77.6%
Legislative amendment program and revenue policy advice within standards		90%	100%
Timeliness	Notes	Target	Actual
FHOG applications processed within service standards		95%	100%
Percentage of investigations performed within standards		90%	99.5%
Legislation program and deliverables within deadlines		90%	100%
Payment of fuel subsidy claims within standards		90%	100%
Policy advice, briefings and Ministerial correspondence within deadlines	5	90%	70%
Revenue collected within due dates		95%	97%
Cost	Notes	Target	Actual
Total revenue dollars administered per dollar expended – accrual		\$162	\$156
Variances			
1 The decrease is mainly due to the flow-on effects of the Global Financial Crisis.			
2 Additional legislative amendments were developed in preparation for the implementation of Release 3 of the Revenue Management System in July 2009.			
3 The increased number of FHOG applications reflects the trebling in FHOG for newly constructed dwellings and doubling in the grant for existing dwellings.			
4 The reduction in fuel subsidy payments is due to consolidation of the fuel retail market.			
5 Delays in some correspondence due to the highly complex nature of various matters.			

Goal

Deliver and administer simple, efficient and equitable revenue management services for State taxes, grant and subsidy schemes.

Strategy

Establish positive working relationships with clients and provide information that assists them to confidently meet their obligations and receive their entitlements.

Making assessment easier

In 2008-09 we collaborated extensively with clients, leading to the expansion of the range of self-assessed transactions. We supported our clients through this change by providing additional support and information, including online training tools. This project has reduced the

administrative burden and costs for self assessors while also reducing the number of Commissioner assessments undertaken by OSR.

We also launched our Self Assessors Assistance Program to offer new self assessors an introduction to OSR operations. These visits educate and train assessors about their obligations and lodgement processes.

We further reduced administrative and compliance costs for clients by developing e-business initiatives and consolidating the previous revenue rulings and practice directions into one public ruling system.

In 2009-10 we will continue to reduce red tape by implementing new business practices and systems. We will continue to streamline e-services, expand self assessment and harmonise payroll tax administration with other jurisdictions.

Connecting with clients

This year we attended the Brisbane Home Buyer Show, giving assistance to prospective home buyers and property investors.

Over the two-day event we spoke with more than 250 clients, explaining transfer duty concessions, land tax obligations and the Australian Government's First Home Owner Grant boost. We also walked clients through our new website (see our feature article below).

In 2009-10 we will continue updating our website (www.osr.qld.gov.au) to ensure clients have access to timely and reliable information.

Compliance made easy

During 2008-09 we released our compliance plan to let the public know where our revenue investigation efforts would be focused. We continued to support revenue compliance activities and helped our clients meet their obligations by implementing the payroll tax penalty amnesty for employers. This gave clients the opportunity to check their records and voluntarily disclose any revenue discrepancies before penalties were imposed.

In 2009-10 OSR's complex investigation unit will undertake a review program to assist major organisations to better comply with the *Duties Act 2001* land rich provisions. We will continue working with clients to implement payroll tax initiatives such as the 2009-10 State Budget initiative which provides businesses with an additional 25 per cent payroll tax rebate on the eligible wages of apprentices and trainees. Wages for apprentices and trainees are already exempt from payroll tax. This rebate encourages businesses to keep and hire more apprentices and trainees, ensuring Queensland will have the skilled workers needed to meet increasing demands in the future.

We will also extend our services to clients in 2009-10 through the Queensland Government Service Centre as part of a pilot of whole-of-Government service counters.

Managing the State's subsidies

In 2008-09 we audited electricity retailers to ensure Queensland's Community Ambulance Cover Scheme levy, collected through electricity bills, was administered appropriately and concessional entitlements were correctly claimed.

In 2009-10 we will oversee the abolition of the Fuel Subsidy Scheme announced in the 2009-10 State Budget and will continue to inform and collaborate with the fuel industry and clients for a smooth transition. The abolition will save the State Budget \$2.4 billion over the next four years.

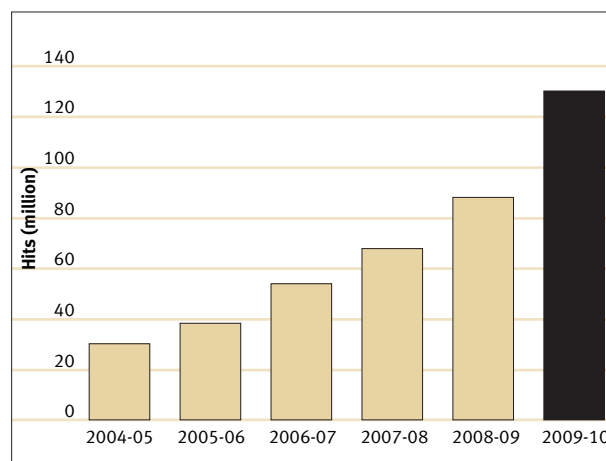
New website enhances e-business environment

With more than 80 per cent of Office of State Revenue clients now doing business online, it is now more important than ever to make it quicker and easier for clients to lodge their returns and find critical information online.

In February 2009, OSR launched its new website (www.osr.qld.gov.au) with more than 1,100 pages designed in a new easy-to-read format. The launch followed months of extensive client consultation and testing. The site's new navigation helps the public, solicitors and business owners alike quickly find the information they need.

Another feature of the website is the new Public Rulings single-ruling system. These rulings set out the Commissioner's interpretation of State law, and can give clients greater certainty in how the law may apply to them.

Website usage



Analysis: Increased website usage reflects OSR's transition to an efficient and user-friendly e-business environment.

Strategy

Provide responsive and ongoing legislation and revenue policy advice services to the State Government.

Delivering an efficient and equitable tax system for all Queenslanders

We have continued to provide Queenslanders with a more efficient and equitable tax system through a process of taxation reform. Given the

current volatile economic environment, we are committed to providing responsive advice on further developing a robust tax system. We implemented a range of 2008-09 State Budget initiatives including:

- abolishing mortgage duty
- increasing transfer duty exemptions for principal place of residence concessions and first home buyers, reducing the duty Queenslanders pay when purchasing a home
- simplifying transfer duty and land tax rate structures
- extending payroll tax deductions to help businesses during these tough times
- introducing a package of concessions to assist older people.

We also contributed to the review of Australia's taxation system announced by the Australian Government in its 2008-09 Budget.

In 2008-09, we continued to develop relationships with industry bodies to progress the harmonisation of Queensland's payroll tax system with that of most other states. These changes have delivered greater consistency to more than 7,000 businesses operating in more than one state. Through our payroll tax harmonisation seminars, over 400 clients across Queensland have received hands-on training on legislative changes.

We will continue to reform State taxes, implementing the following 2009-10 State Budget initiatives:

- increasing the transfer duty concession threshold for first home buyers purchasing vacant land up to the value of \$250,000
- introducing an additional 25 per cent payroll tax rebate in 2009-10 on the eligible wages of apprentices and trainees.

In addition, we will introduce instalment options for land tax payments in 2010-11 and, as an interim measure, extend the land tax payment period from 30 to 90 days in 2009-10.

By implementing these initiatives, we will be supporting the key priorities of the 2009-10 State Budget – supporting and creating jobs for Queenslanders, delivering services and returning the Budget to surplus.

Strategy

Develop and maintain simple, efficient and equitable revenue management services.

Open for business 24-7

One of the most significant advances in revenue administration in Queensland was our introduction of online lodgement and payment processes for payroll tax and

duties. Clients now have the convenience of lodging and paying their returns at any time on a secure, easy-to-use online interface.

In 2008-09, we extended our e-business facilities by continuing to develop Release 3 of our Revenue Management System, which enhanced the duties and payroll tax system and introduced land tax, Community Ambulance Cover, grants and subsidies to an e-business environment. This new integrated system will be implemented in the second half of 2009 and will meet all clients' taxation, grant and subsidy e-business needs.

Data analysis facilitates targeted communication

Our Revenue Base Management (RBM) tool helps us better manage and administer the State's revenue through data analysis, record matching, client profiling and forecasting capabilities.

This year, the RBM system was further enhanced by introducing duties home concession and self assessor management modules. In 2009-10 we will develop and implement RBM Release 3 which will introduce land tax and grants and subsidies into the system.

In 2008-09 we also contributed to the Australian Government's Standardised Business Reporting initiative to simplify business-to-government reporting and reduce associated time and costs.

For example, a ruling may clarify how potentially ambiguous provisions will be applied, or outline where the Commissioner may be able to waive certain requirements.

The new system combines and replaces the Revenue Rulings and Practice Directions systems, making it quicker and easier for clients to find information and understand how revenue laws will apply to their business.

The new website and single-ruling system has proven popular with OSR clients, with most agreeing it is 'much clearer and easier' to search for items.

"Most importantly, there is quick access to submit payroll tax information online," one client said.

The new website is a pivotal communication tool for OSR and will be the primary delivery channel for the office's ongoing client education program. OSR is committed to improving its communication resources, and in 2009-10 will continue updating the website to ensure clients have access to timely and reliable information.



(Left to right) Rory Daly, Kym Swile and Traci Booker – part of the team behind OSR's new, easy-to-navigate website.

Our people

A strong, smart and healthy workforce enables us to deliver the services that keep Queensland's economy strong.

To successfully attract and retain skilled staff, we work to ensure they continue to have access to professional development opportunities in a flexible and healthy work environment.

Treasury Workforce Strategy 2008-10

Treasury's *Workforce Strategy 2008-10* continued to guide the priority activities for Treasury and portfolio offices this year.

Changes to the labour market and an evaluation of Treasury's Workforce Strategy resulted in a stronger focus on capability and performance in the program's deliverables.

In addition, a number of external factors influenced our focus for managing the Treasury workforce during 2008-09. This included the Queensland Government's priorities through *Toward Q2: Tomorrow's Queensland*, which identified the need for Treasury to:

- invest in skills, including the core competencies of innovation, problem-solving and communication
- focus wellbeing initiatives on smoking, weight, exercise and sun exposure
- consider opportunities to encourage volunteering.

Understanding our workforce

Understanding our workforce allows us to effectively plan for the future, identify supply and demand requirements, and manage risks.

Throughout 2008-09, Treasury implemented a series of staff pulse surveys to gauge the satisfaction and intentions of its workforce and strategically inform planning for its future workforce. The pulse surveys support information gathered in the 2006 Treasury census as a means of tracking staff attitudinal changes.

The surveys focused on:

- intent to stay and work-life balance
- retirement intentions
- new employees.

Information gathered from the survey results has informed various workforce strategies and prioritisation of workforce projects throughout 2008-09. We reported results to individual offices for planning purposes and provided feedback to staff via a number of different mechanisms.

Attracting and retaining our people

Employee turnover reduced significantly this year, particularly in key occupations such as accountants, business analysts and information professionals.

The staff pulse surveys had a strong emphasis on retention and understanding staff intentions to stay. Coupled with this, we implemented and enhanced the exit process to better understand why staff chose to leave Treasury.

With improved retention rates, Treasury's recruitment activities reduced. However, attracting candidates in key occupations such as business analysts, accountants, economists and statisticians continued to prove challenging and will remain a key focus of our attraction strategy in the year ahead. Outside of these occupations, there was a significant increase in application numbers for positions advertised.

The modernisation of our recruitment and selection practices and processes was also a key attraction initiative in 2008-09. The aim of this initiative was to simplify the process for potential applicants and incorporate the Treasury Leadership Capability Framework.

Advancing careers through professional development

We work to ensure our staff have ample opportunities to further their careers within Treasury through a range of training initiatives.

Treasury Leadership Capability Strategy

In 2008-09, we continued to implement the Leadership Capability Strategy with a particular emphasis on conducting leadership audits. These audits provide leadership profiling for individuals and teams and identify areas for development and capability investment. Ultimately, we seek approaches that provide staff at all levels within Treasury with an opportunity to develop successful careers within the Department.

The Public Service Commission has implemented a Queensland Public Service Capability and Leadership Framework to drive a consistent approach to leadership development across the sector. We are currently aligning our leadership strategy to this framework.

Treasury's Capability Framework focuses on three major tiers of capability or skill:

- generic leadership and management skills
- specific management and compliance skills
- professional and technical skills, related to specific occupations.

In 2008-09 the primary focus for capability across the department was on leadership capability.

During the year we offered three Professional Excellence Programs (PEP) for AO5-AO7 and AO8-Senior Officer staff. The programs contain two components:

- leadership development
- management development.

The programs are specifically tailored to staff in supervisory positions.

Supporting staff through further study

Treasury values its multidisciplinary workforce and our people continue to increase their skills and advance their careers through further study. The Study and Research Assistance Scheme (SARAS) supports employees who are undertaking formal tertiary study or research projects through financial assistance and flexible leave arrangements.

During 2008-09, we used SARAS to support 54 staff in disciplines such as commerce, accounting, information technology, law, applied finance and human resource management.

Mentoring for improved performance

Feedback from the 2008 mentoring program was again positive, with 18 pairs participating in the six-month program. Participants reported benefits such as:

- the opportunity to build relationships and establish networks
- freedom to discuss a range of issues with a senior person
- gain good ideas for future direction and strengthen skills (new or existing)
- gain a broader awareness of other offices or areas within Treasury
- the opportunity to reflect on career decisions and further develop self awareness.



Putting the theory into practice

In 2008-09, Treasury sponsored Manager of Fiscal Strategy Bridget Smith (pictured) to participate in the Australia and New Zealand School of Government (ANZSOG) Executive Master of Public Administration Program.

This two-year, part-time program is designed for emerging public sector leaders to help them further develop their management and policy skills to meet the demands and challenges of the public sector environment.

Now partway through the program, Bridget feels it has "opened her eyes" to the theories and concepts underpinning public sector management while providing real-world case study examples.

"There are fascinating, often high-profile examples to put the theory into practice, which certainly makes the learning experience very interesting," Bridget explained.

"Participating in the program has also provided me with a fantastic opportunity to meet others in the public sector who face similar challenges but respond to them in different ways.

"It's great to be exposed to new ideas and ways of doing things outside of Queensland."

Office Management Team Forums

This year, Treasury delivered two Office Management Team forums to Treasury Senior Executive Service and Senior Officer staff. The forums offer staff an opportunity to network and hear contemporary speakers discuss issues of interest.

Diverse people from different organisations spoke including:

- Macquarie Group Interest-Rate Strategist Rory Robertson
- Queensland Investment Corporation Chief Economist Matthew Peter
- Australian Government Statistician Brian Pink.

Topics covered included leadership styles, new federal directions and the current economic environment.

Our workforce at a glance

The Treasury workforce changed significantly in both size and structure during 2008–09 due to a number of machinery-of-Government changes. Changes included:

- CorpTech moving to the Department of Public Works
- the Office of Liquor, Gaming and Racing moving to the newly established Department of Employment, Economic Development and Innovation.

Read more about these and other changes in Treasury on page 5.

Joining the department were functions previously carried out by the Shared Service Agency including the provision of workplace health and safety and document and records management.

At the end of 2008–09 our workforce included:

- 1,459 people¹
- 146 staff employed under permanent part-time arrangements
- a slight increase in the representation of women to 57 percent
- 245 new employees and 637 staff who have left the organisation².

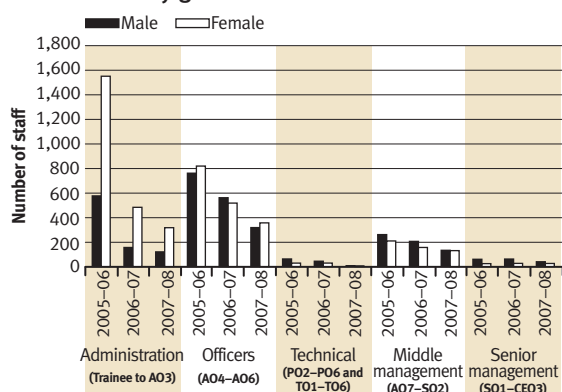
1 A 34.7 % decrease on same time 2007–08. Decrease is due to machinery-of-Government changes that relate to CorpTech moving to the Department of Public Works and the Office of Liquor, Gaming and Racing moving to the Department of Employment, Economic Development and Innovation. Staff previously employed by the Government Superannuation Office transferring to QSuper Ltd are included in the above figures. Figure includes employees on leave without pay.

2 Based on the Minimum Obligatory Human Resource Information (MOHRI).

	Number	Percentage of workforce
Men	627	42.97
Women	832	57.02
Permanent retention rate ^(a)	1,280	87.73
Permanent separation rate ^(a)	104	7.13
Non-English speaking background	182	12.46
Aboriginal and Torres Strait Islanders	8	0.5
People with a disability	99	6.78
Women in middle and upper management	157	10.7
Women in senior officer and senior executive service positions	25	1.7

(a) Does not include separations in the former Office of Liquor, Gaming and Racing

Total staff by gender and classification



Generating opportunities for school and uni leavers

Queensland Treasury operates training programs for school and university students to provide them with experience in their chosen field and the public service in general.

GRADStart

Our GRADStart recruitment program remained popular during 2008–09 with two programs completed in February and June.

GRADStart offers vacation employment, an Indigenous Cadetship program and a graduate program for people completing their studies or who have recently graduated. It attracts applicants in key Treasury skill requirements such as economics, statistics and financial and policy analysis.

This year, we welcomed 27 graduates to Treasury, with 295 graduates employed since the program started in 1990. The program is seen as a long-term prospect by graduates with 63 per cent still employed either in Treasury or in the Queensland public sector since 1990.

The Vacation Employment program has also been successful in attracting students who go on to work in Treasury on a part-time or casual basis.

School based trainees

Treasury also provided opportunities for seven school based office trainees in May this year. This was in line with the Queensland Government's commitment to double the number of school based apprenticeships and traineeships (SATs).

SATs are engaged for a 12-month period, working one day a week combined with school studies and off-the-job training. The traineeships are targeted at Year 10 and 11 students who attain a Certificate III in Business upon successful completion of their traineeship.

Improving quality of life for families

Treasury continues to recognise the importance of providing flexible work arrangements to support parents and families in balancing work and life commitments. We have implemented a range of provisions to support this including:

- an explicit work and family policy
- flexible working hours
- leave arrangements
- parenting facilities in the workplace
- working from home and telecommuting
- part-time and job share opportunities.

Treasury participated in the Urban Congestion Pilot conducted by Queensland Transport from 1–26 June 2009. The aim of the pilot was to decrease traffic congestion by reducing travel during peak times.

This was achieved through compressed working weeks, flexible start and finish times and utilising telecommuting arrangements to enable employees to work from home. As women are primary caregivers in many households, this program had the added benefit of offering more flexible working arrangements for women. Twenty-one staff participated in the pilot.



Treasury's GRADStart program has been the starting point of many careers in the Queensland public sector. Featured here are the 2008 participants with Under Treasurer Gerard Bradley (far right).

Valuing the contribution of women

As highlighted in our workforce profile, women comprise the larger percentage of Treasury's people. In recognising and valuing the important contribution women make to the delivery of our business objectives, Treasury continues to be an active participant of the Smart Women Smart State Awards. To this end, we sponsored the awards ceremony for the fourth consecutive year in August 2008.

Other initiatives to support women's career development in our organisation include:

- a mentoring program
- a women-in-management program
- professional development and training courses
- opportunities to act at a higher level
- job rotation
- work shadowing
- multiskilling.

In 2008-09 the department developed a draft Breastfeeding Policy in consultation with employees and employee stakeholder groups. We anticipate releasing this policy in early 2009-10.

A fair, safe and ethical environment

At Treasury, we value, actively support and promote a fair, safe and ethical environment. We do this so our people understand their responsibilities, carry them out with respect and integrity, and deliver effective and efficient services to our clients.

Protecting the integrity of our workplace

During 2008-09, our Code of Conduct was comprehensively reviewed consistent with the Crime and Misconduct Commission's best practice guidelines. The revised Code is encapsulated as a policy and expresses the principles in clear and understandable terms. It also provides the foundations for understanding the official, legal and ethical frameworks in which all staff are required to operate throughout their employment.

Our flexible and interactive online Code of Conduct training will be updated during 2009-10 to reflect the revised Code.

Whistleblower protection

Like all Queensland Government departments, under the *Whistleblowers Protection Act 1994*, Queensland Treasury must report to Parliament on the number of public interest disclosures received and verified. No public interest disclosures were received by Treasury in 2008-09.

Promoting the safety and wellbeing of our people

We are committed to supporting activities and programs that promote a preventative health and wellbeing culture. Through our Health and Wellbeing Strategy we aim to support a healthy work environment that communicates and reinforces better health and wellbeing for all employees.

Treasury's Corporate Health Program remained strong, with a number of health and wellbeing information sessions offered throughout the year. The focus has been on implementing the Toward Q2 ambition, 'making Queenslanders Australia's healthiest people', which promotes key areas of healthy lifestyle changes.

Our partnerships with MBF HealthLink, Medibank Private Priority and Fitness First continued to provide health and wellbeing support to our staff this year. We also maintained our partnership with the Australian Red Cross with staff continuing their regular blood donations.

The influenza vaccination program was once again offered to all employees with 831 people vaccinated. Our senior executive health assessment program resulted in a high uptake of senior managers actively focusing on improved health and wellbeing.

Workplace health and wellness activity	2006-07	2007-08	2008-09
Annual health and safety site assessments	N/A	N/A	100%
Annual influenza vaccinations	990	810	831
Ergonomic workstation and telecommuting assessments	1 *	2 *	67
Supported rehabilitation of injured and ill workers	120	87	23 **
Claims experience:	2006-07	2007-08	2008-09
Workers compensation (statutory) claims	89	32	14 **
Common law claims	0	0	0

* Telecommuting only

** Does not include QSuper or Office of Liquor, Gaming and Racing cases

Voluntary early retirements and voluntary redundancies

During 2008-09 three voluntary early retirements (VERs) were taken to the value of \$139,778.95. Five voluntary redundancies were also taken with a severance value of \$374,535.20. This represents a decrease of approximately \$250,000 from the previous year.

There were no retrenchments in Treasury during 2008-09.

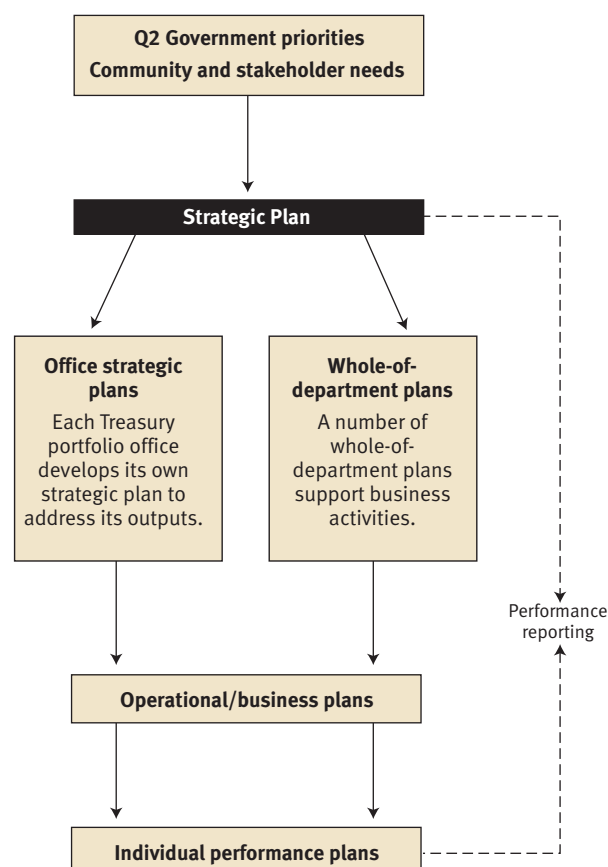
Corporate governance

In a challenging economic environment, strong corporate governance is critical to sound decision making, accountability and service delivery.

Planning and resourcing

Treasury's corporate governance framework starts with *Toward Q2*: the Government's plan to build and maintain a strong, green, smart, healthy and fair Queensland. From the Q2 priorities and community and stakeholder needs, Treasury establishes its strategic plan. This five-year plan outlines how Treasury will assist the Government provide the services our growing State needs. Read more about Treasury's role in the Q2 ambitions on page 6.

From this strategic plan, each of our portfolio offices develops its own plan which details its business priorities, capability priorities and performance measures for the years ahead. The capability priorities detail the resources, competencies and infrastructure each portfolio office needs to contribute to Treasury's outputs.



Treasury's resources are allocated to deliver the business priorities identified during the strategic planning process. Each year, a Service Delivery Statement is prepared as part of the State Budget process to detail Treasury's budget, performance and future objectives.

Monitoring performance

As a Queensland Government agency, Treasury bases its decisions on planning, resource allocation and management, monitoring, and performance on the Queensland Government's financial management framework.

In the current challenging economic climate, the Queensland Government's focus is on returning the budget to surplus and lowering the State's level of debt. With lead responsibility for economic and financial policy advice to the Government, Treasury plays a critical role in achieving this objective through revised fiscal principles outlined in the new *Charter of Fiscal Responsibility*. These principles are centred around fiscal sustainability, a competitive tax regime and managing the State's balance sheet.

Each budget, mid-year review and end-of-year outcomes report will detail the Government's achievements against these principles. Read more about the Charter and its principles at www.treasury.qld.gov.au.

Our performance is monitored externally through the Parliamentary Estimates Committee process and internally through the Portfolio Management Group.

Treasury is accountable to the Treasurer who reports on our performance against our Service Delivery Statement through the Parliamentary Estimates Committee process. In addition to the Parliamentary process, quarterly performance reports are also prepared for the Government.

Treasury's performance is also monitored closely internally. Monthly finance reports are provided to the Under Treasurer and the Deputy Under Treasurers.

Along with all other agencies, we are currently in the process of aligning our performance monitoring with the new Performance Management Framework. This framework has been designed to improve how performance information is analysed and applied to identify and address risks and opportunities for agencies, Government and the community.

Leading Treasury

As a central agency, Treasury provides financial and economic leadership to other Queensland Government agencies.

Accountable to the Treasurer as Treasury's chief executive, Under Treasurer Gerard Bradley sets the direction for Treasury, supported by Deputy Under Treasurers Tim Spencer and Alex Beavers, the Portfolio Management Group, committees and portfolio office executive management teams. Read more about Treasury's structure, origins and recent changes in our organisation on pages 4 and 5.

The Portfolio Management Group, comprising the Under Treasurer, Deputy Under Treasurers, Assistant Under Treasurers and the heads of each portfolio office, focuses on Treasury's performance. Its main role is corporate governance and developing the department's capability priorities, which support our corporate planning process.

The group also determines operational policy and strategies to identify and manage key areas of risk and department-wide issues. In turn, each portfolio office in Treasury has its own executive management team which sets the strategic direction for the office.

Treasury's leadership team

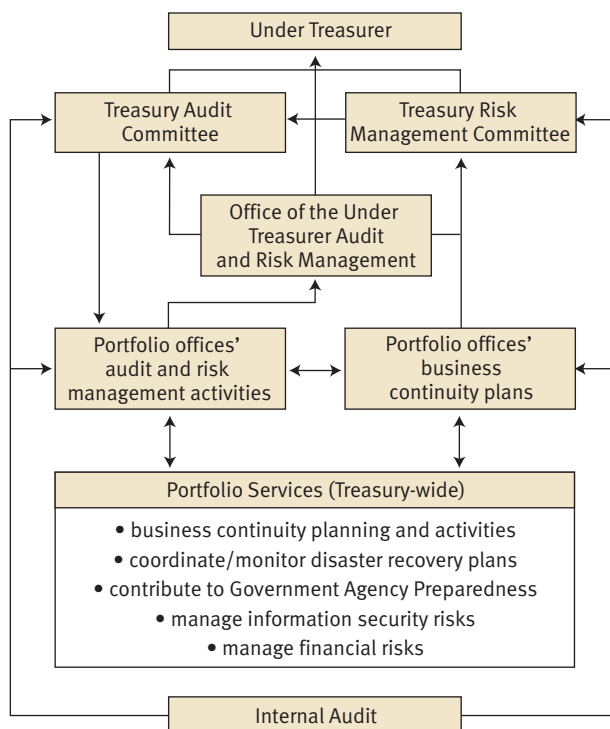
Name	Job title	Portfolio responsibilities
Gerard Bradley	Under Treasurer	<ul style="list-style-type: none"> Executive leadership and strategic direction of Treasury
Alex Beavers	Deputy Under Treasurer	
Tim Spencer	Deputy Under Treasurer	
John O'Connell	Assistant Under Treasurer	<ul style="list-style-type: none"> Resources and economic development Transport, infrastructure and government services
Gary Ward	Assistant Under Treasurer	<ul style="list-style-type: none"> Fiscal and taxation policy Inter-governmental relations
Walter Ivessa	Assistant Under Treasurer	<ul style="list-style-type: none"> Health and community services Education and justice
Ian Munro	Assistant Under Treasurer	<ul style="list-style-type: none"> Commercial advisor Commercial and financial management Financial management
Ken Sedgwick	Assistant Under Treasurer	<ul style="list-style-type: none"> Economic and structural policy Queensland Office for Regulatory Efficiency
Peter Crossman	Assistant Under Treasurer	<ul style="list-style-type: none"> Office of Economic and Statistical Research Government Statistician
Adrian Noon	Executive Director	<ul style="list-style-type: none"> Office of Government Owned Corporations
David Smith	Executive Director	<ul style="list-style-type: none"> Office of State Revenue
Chris Turnbull	Executive Director	<ul style="list-style-type: none"> Corporate services for Treasury
Keith Millman	Commercial Counsel	<ul style="list-style-type: none"> Legal advice on behalf of Treasury and the Queensland Government
Wayne Cannon	State Actuary	<ul style="list-style-type: none"> Actuarial advice to the Queensland Government on QSuper, judges' and Governor's pension schemes, Long Service Leave Central Scheme, Queensland Government Insurance Fund and the Nominal Defendant Fund

Audit Committee

Audit Committee charter

The Queensland Treasury Audit Committee has observed the terms of its charter which is prepared largely on the basis of the *Audit Committee Guidelines: Improving Accountability and Performance*. The committee's charter sets out its responsibilities, which encompass but are not limited to:

- considering audit and audit-related findings
- assessing and enhancing Treasury's corporate governance processes including its systems of internal control and the internal audit function
- evaluating the quality and facilitating the practical discharge of the internal audit function particularly in respect of planning, monitoring and reporting



- overseeing and appraising Treasury's financial and operational reporting processes through the internal audit function.

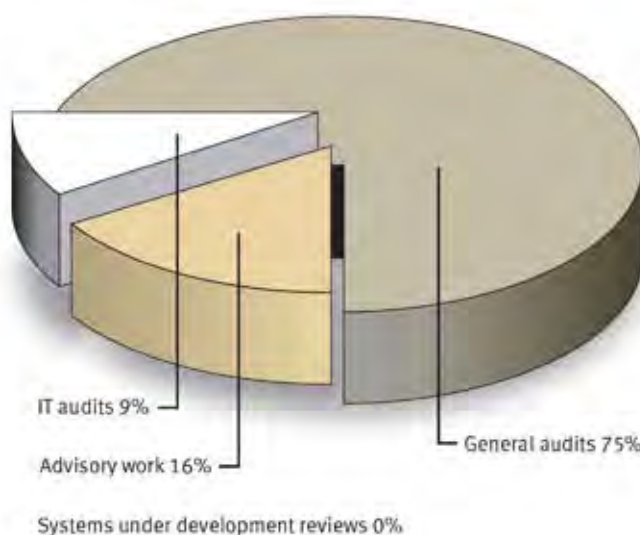
Role

The Queensland Treasury Audit Committee acts as an advisory service to the accountable officer – the Under Treasurer or his delegate – to assist in the effective discharge of responsibilities prescribed in the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997* and other relevant legislation and prescribed requirements.

2008-09 members

- Tim Spencer, Deputy Under Treasurer (Chair)
- Gerard Bradley, Under Treasurer
- John Hand, Insurance Commissioner
- Gary Ward, Assistant Under Treasurer, Treasury Office

Allocation of audit work by %



- Neil Castles, General Manager, Credit and Procurement Risk, Queensland Treasury Corporation.

The Queensland Audit Office, Internal Audit; the Executive Director, Portfolio Services; and Director, Office of the Under Treasurer have standing invitations to attend committee meetings.

Achievements

In 2008-09, the Audit Committee met five times and considered a range of matters concerning Treasury's finances and internal audit projects, including:

- preparing the 2007-08 financial statements
- reviewing and implementing requirements of the new *Audit Committee Guidelines: Improving Accountability and Performance* released in November 2008
- reviewing the machinery-of-Government changes affecting the Office of Liquor, Gaming and Racing, particularly the internal audit arrangements
- reviewing and updating the Treasury Audit Committee charter
- reviewing the action outcomes of the Treasury Risk Management Committee
- providing feedback on and considering issues raised by internal audit reports
- monitoring audit activities of other related Audit Committees in Treasury
- monitoring external audit activities.

Internal Audit

Internal Audit supports the Audit Committee by regularly evaluating Treasury's financial and operational systems, reporting processes and activities. In 2008-09, internal audit services were mainly provided by the Shared Service Agency (SSA), although other external providers were used where appropriate.

In 2008-09, Internal Audit completed over 8,500 hours of audit work in Treasury. Thirty-three audits were finalised including liquor licensing, MAIC grants processes, appropriation payments, verification of the 2007-08 financial statements and maturity of delivery and support of ICT activities.

Most audits sought to review and assess the effectiveness of processes and controls over the operational activities. A number of compliance audits were also performed, which concentrated on ensuring Treasury's activities and transactions comply with relevant legislation and policies, and are processed accurately and completely.

Information systems audit activity largely focused on reviewing the development and implementation of new systems, in particular the Office of State Revenue's Revenue Management System.

External scrutiny

External audits and reviews help us improve our and other agencies' performance and to meet our commitments to the Government's key priorities for communities.

During 2008-09, Treasury was included in two reviews by Queensland's Auditor-General. The resulting reports do not directly relate to Treasury's operations or performance. Rather, they relate to Treasury in the context of its roles in developing and implementing whole-of-Government policy on planning and performance management, financial management and governance for public sector entities.

Public Accounts Committee (PAC) Report No. 79

Are departmental output performance measures relevant, appropriate and a fair representation of performance achievements?

In 2005 and 2006 the Auditor-General undertook a series of audits examining output performance reporting across a number of departments. This report included findings from examinations of a further four departments, including the relevance of performance indicators and progress made on the implementation of recommendations made in previous audits. Treasury was not one of the four departments examined as part of this report.

However, the Auditor-General made some specific recommendations for Treasury in our role as policy owner, including developing guidance material on performance management and reporting.

These recommendations were addressed to the Treasurer as the responsible Minister.

During 2008, before this work could be finalised, responsibility for whole-of-Government policy on planning and performance transferred from Treasury to the Department of the Premier and Cabinet (DPC). However, Treasury continues to work with DPC and the Public Service Commission in reviewing and updating the Queensland Government's planning and performance management framework.

PAC Report No. 80

Review of Auditor-General Report No. 5 for 2007 – Results of Audits as at 31 May 2007 – Section 2.6 – Governance of Public Sector Companies.

The committee concentrated its examination on the issues raised by the Auditor-General about the governance of public sector companies audit.

Under section 44 of the *Financial Administration and Audit Act 1977*, the Treasurer was responsible for approving the formation of public sector companies. From 1 July 2009, the Treasurer will fulfil this responsibility under section 88 of the new *Financial Accountability Act 2009*.

The recommendations of the PAC report were addressed to the Treasurer as the responsible Minister. In response, Treasury has undertaken the following actions:

- Developed a requirement for departments to produce a business case that satisfies the Treasurer that a company is the appropriate vehicle for the purpose for which the approval is required. The new requirement will come into effect with the new Financial Accountability Act from July 2009.
- Established a register of public sector companies and developed a Notification of Company Details form with which public sector entities advise Treasury of changes to company details.
- Commenced updating the *Guidelines for the Formation, Acquisition and Post Approval Monitoring of Companies* for stakeholder feedback including that from the Public Accounts Committee and the Auditor-General. The revised guidelines are expected to be released by the end of 2009.

Risk management

In Treasury's corporate governance framework, risk management is integrated into all business activities and systems across the portfolio, including strategic and business planning, staff responsibility and other decision-making processes.

The aim of risk management in Treasury is to contribute effectively to service delivery through our objectives and strategic directions.

All staff in Treasury are responsible for managing risk. Risks associated with projects are identified and solutions developed to mitigate and manage those risks.

Risk Management Committee

The Risk Management Committee assists the Under Treasurer and Treasury's Portfolio Management Group (see page 33) by:

- determining Treasury's risk management strategy and monitoring its implementation
- identifying and prioritising portfolio risk at a strategic level
- overseeing risk management policy and processes
- monitoring risk management in business planning and reporting
- ensuring significant risks are managed effectively and efficiently.

2008-09 members

- David Ford, Deputy Under Treasurer (Chair)*
- Mike Sarquis, Executive Director Office of Liquor, Gaming and Racing*
- John O'Connell, Assistant Under Treasurer, Treasury Office
- Tina Davey, Director, Education and Justice Branch, Treasury Office

Deputy Under Treasurer Tim Spencer, the Director Office of the Under Treasurer, Queensland Treasury Corporation's Credit and Risk Manager and Treasury's Executive Director, Portfolio Services have standing invitations to attend committee meetings.

In 2008-09, the committee met twice to consider a variety of matters, including:

- Shared Service Initiative funding model
- Treasury's information security plan 2007-08 which is based on the mandatory requirements of *Information Standard 18 – Information Security IS18*
- updating operational and strategic risk registers across Treasury
- supporting the Audit Committee in its annual internal audit planning.

* David Ford and Mike Sarquis have since moved to the newly formed Department of Employment, Economic Development and Innovation.

Shared services

During 2008-09, the Shared Service Agency (SSA), with systems support from CorpTech, provided Treasury with a range of corporate services including human resources and payroll, finance, procurement, telecommunication, fleet and mail. These services are largely transactional in nature and are managed through an operating level agreement between SSA and Treasury. The activities of the SSA and CorpTech are reported in the annual report of the Department of Public Works.

Managing our information resources

Information is a valuable resource and, like all valuable resources, it needs to be appropriately managed. Treasury works to ensure it is open and accountable by proactively publishing its new information.

Within Treasury, information management includes all the systems and processes that are in place (email, paper, online documents and other sources of information) which enable us to create and share corporate information.

We understand an integrated approach, involving people, processes, procedures, technology and content, is needed in information management. This approach will allow us to meet the recently introduced Right to Information reforms. Read more about Right to Information on page 122.

Information governance

The Information Management Steering Committee provides leadership and direction to ensure Treasury collects, stores, manages and uses information in a way that facilitates service delivery and complies with relevant information standards. This year, the committee met three times.

Future focus areas for information governance include:

- implementing proactive and administrative release practices to meet Right to Information requirements
- improving our use of data and records management
- assessing our governance model to take into account new whole-of-government initiatives.

Queensland Government Enterprise Architecture

The Queensland Government Enterprise Architecture (QGEA) helps agencies acquire, develop, manage, support and use the store of information, information systems and technology at their disposal to support business processes which drive service delivery. QGEA includes whole-of-Government Information standards that are published and maintained by the Chief Information Office in the Department of Public Works.

Treasury plays its part by implementing and reviewing the QGEA, whole-of-Government standards and directives for a range of information management needs such as security, privacy, recordkeeping, information and communication technology (ICT), business continuity planning and procurement. In 2008–09, new policies and/or best practice guides were developed for:

- management of release of public information
- business continuity management (planning that allows agencies to restore normal business operations)
- use of ICT facilities and devices
- recordkeeping
- custodianship (the responsibilities that apply to information owners).

Document and records management

In addition to complying with the *Public Records Act 2002*, Treasury now has to manage increased public expectations to proactively make information freely available in line with the *Right to Information Act 2009*.

To meet this challenge, Treasury's Document and Records Management Program successfully implemented the whole-of-Government Electronic Document and Records Management System (eDRMS) in 2008–09.

The eDRMS has been integrated with our web content management system and a Publication Scheme has been released on our website to ensure consistency across Government in the release of information.

Minimising our environmental footprint

Treasury is committed to reducing its environmental footprint and we encourage all staff to do the same. Conserving energy and minimising waste in and around the workplace reduces our overall costs and greenhouse gas emissions.

This year, Treasury amalgamated its Strategic Waste Management Plan and Strategic Energy Management Plan into the ClimateSmart Management Plan. This consolidated plan addresses all of our water, waste and energy management responsibilities and ensures we meet and exceed legislative requirements.

It also includes a review process to aid continuous improvement in the management of waste and aims to foster a departmental culture that goes beyond legislative compliance.

The plan primarily addresses:

- waste management and recycling practices
- energy reduction and associated emissions
- water conservation
- vehicle and fuel efficiency
- purchasing procedures
- ecologically sustainable building design.

Treasury's ClimateSmart Management Plan is expected to be finalised in 2009–10.

Treasury is committed to contributing to the reduction of greenhouse gas emissions to meet the national target of 60 per cent by 2050.

Engineering environmental sustainability in vehicle selection

Treasury's vehicle selection now takes into consideration the minimum GVG Greenhouse Rating as set in QFleet's *ClimateSmart Action Plan*. This has assisted in reducing Treasury's carbon emissions while maintaining a similar size vehicle fleet. Any vehicles that do not meet this rating have their emissions offset by participating in a vehicle emissions offset scheme.

Treasury continues to encourage the use of E-10 ethanol-blended fuel in all its vehicles.

Carbon emissions

Queensland Treasury is committed to supporting the Queensland Government's *Toward Q2 – Tomorrow's Queensland* target to cut Queensland's greenhouse gas emissions by one-third by 2020. This commitment includes implementing the Government's climate change and other environmental strategies such as the *ClimateQ: toward a greener Queensland* strategy.

Six gases have been identified under the Kyoto Protocol as the main greenhouse gas emissions that need to be reduced: carbon dioxide, hydrofluorocarbons, methane, nitrous oxides, perfluorocarbons and sulphur hexafluoride. As part of standard emission measurement practices these gases are mainly reported as carbon dioxide equivalent emissions (CO₂-e).

The Queensland Government continues to develop and improve whole-of-Government data collection processes and systems to standardise reporting of its greenhouse gas emissions. The basis for this reporting is consistent with acknowledged national and international standards, including the definitions outlined in the AS ISO 14064 standards and the Australian Government's *National Greenhouse Accounts Factors Workbook*. These standards establish the following categories of emissions that organisations (such as government agencies) need to consider, taking into account the particular organisation's operational boundaries:

- Scope 1 - emissions that occur *directly* from sources owned or controlled by an organisation (for example, emissions from departmental vehicles, on-site diesel generators, gas boilers etc)
- Scope 2 - emissions that occur *indirectly* due solely to an organisation's consumption of electricity or steam or heating/cooling (which has been generated by the burning of fuels such as coal, natural gas, etc at power stations or other facilities not controlled by the organisation)
- Scope 3 - emissions that occur *indirectly* due to actions of the organisation, but from sources which are not owned or controlled by the organisation (that is, outside its operational boundary). Some common examples of these sources include employee business travel (in vehicles or aircraft not owned or controlled by the reporting organisation); employees commuting to and from work; out-sourced activities; and transportation of products, materials and waste. Note: inclusion of these emissions in any reporting needs to be based on the relevance to the operations of the organisation.

For Queensland Treasury the key greenhouse gas emissions are those that are linked to:

- vehicle usage
- electricity consumption
- air travel.

Data associated with these emissions are provided by the Department of Public Works.

While the best available data has been used, in some instances estimates have been reported due to the limitation of data collection systems. For example, in those Government-owned office buildings where there are multiple Government agency tenants and the electricity usage cannot be solely attributed to any one particular agency, the electricity usage by the tenanted agencies is proportioned based on the floor area they occupy.

The following table outlines the emissions relating to Queensland Treasury.

Activity	Greenhouse gas emissions (tonnes of CO ₂)	Explanatory notes
Scope 1		
Vehicle usage		
QFleet vehicles	144	1
Agency-owned vehicles	0	
Scope 2		
Electricity consumption		
Purchased directly from an electricity retailer	0	2a
Sourced through a third party	2747	2b
Scope 3		
Air travel		
Domestic travel on commercial airlines	155	3
International travel on commercial airlines	14	3
Hired vehicles		
Avis	20	4
Other		

Notes:

- The CO₂-e emissions figure has been aggregated using National Greenhouse Emissions Reporting (NGER) guidelines and represents emissions for four primary fuel types: unleaded petrol, diesel, liquefied petroleum gas (LPG) and E10. Emissions shown are based on estimated kilometres travelled and available fuel consumption records.
- This figure is largely based on available actual building electricity consumption records for the period 1 July 2008 to 30 June 2009. For these records, the emissions reported are limited to those linked to electricity purchased directly from an energy retailer for Treasury's own buildings and any space it leases. Incomplete electricity consumption records have been extrapolated where necessary.
All electricity consumption has been converted to carbon emissions using the Scope 2 conversion factor of 0.89 kg CO₂-e/kWh as currently recommended in the Australian Government's *National Greenhouse Accounts Factors Workbook*.
- This figure is largely based on emissions associated with electricity use in leased spaces where electricity is not directly purchased by Treasury from an energy retailer, for example, the electricity costs form part of lease charges.
This figure includes estimated consumption (where specific details are not available) and actual electricity records received from government and private sector landlords. Incomplete electricity consumption records have been apportioned and/or extrapolated where necessary.
For example, in those major government office buildings owned by the Department of Public Works that do not have separate electricity sub-metering for tenants, the emissions associated with electricity consumption have been apportioned 45 per cent to the landlord and 55 per cent to the tenants – in line with industry practice and historical benchmarking.
- Air travel includes all flights recorded by the Queensland Government Chief Procurement Office (QGCPPO) during the period 1 July 2008 to 30 June 2009, specifically:
 - international air travel on all airlines
 - domestic air travel on all airlines.
 For all air travel, with the exception noted at (b) below, the following methodology is used:
 - From data provided the QGCPPO calculates the kilometres flown. The kilometre figure is divided by 100 and multiplied by an industry average number of litres of fuel burnt per passenger, per 100 kilometres. A factor of 5 has been used for all air travel. The use of this method gives the average litres of fuel burnt for a flight, per passenger. This figure is subsequently converted from litres into kilograms and then from kilograms into tonnes, before being multiplied by 3.157 (which represents the amount of CO₂ tonnes produced by burning one tonne of aviation fuel; sourced from the International Civil Aviation Organisation).
 - For domestic flights with Qantas, QantasLink, Jetstar and Virgin Blue for the period 1 July 2008 to 31 December 2008 the number of passengers per sector was calculated. This information was then passed on to the respective airline for calculation of carbon emissions.
- The hire car vehicle emissions are calculated by Avis Australia and show only emissions for Avis Australia vehicles booked under the Standing Offer Arrangement managed by the Queensland Government Chief Procurement Office.

Our financial position explained

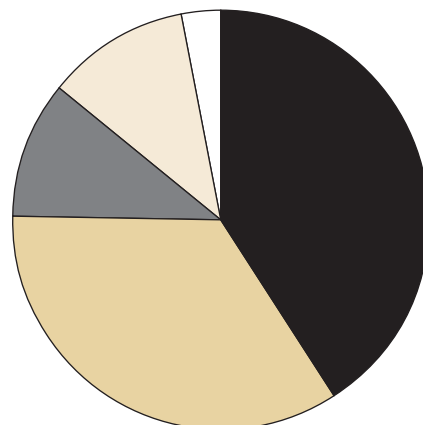
This financial summary provides an overview of our financial performance for 2008-09.

Treasury's financial statements fall into two categories:

- **administered**, which report on the funds which Treasury administers on behalf of the Queensland Government in its role as the State's financial manager, and
- **controlled**, which disclose the revenue, expenses, assets and liabilities used to conduct Treasury Department business.

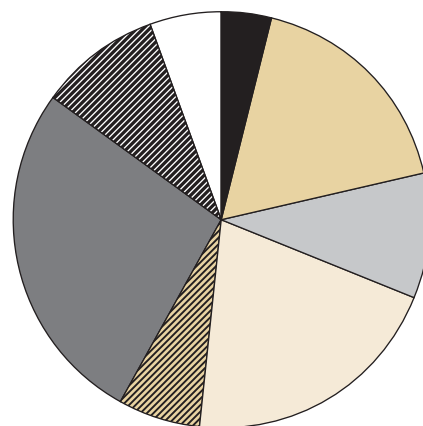
Administered

State taxes, fees, fines and levies 2008-09



Business activity and consumer confidence were both impacted by international events during the year, contributing to lower total tax collections in the Queensland economy.

Total administered expenses by category 2008-09



Superannuation benefit payments of \$0.9 billion and Annual Leave Central Scheme costs of \$1.18 billion were the largest components of the \$4.4 billion of expenses Treasury administered on behalf of the State.

Treasury Department Administered Summary Statement of Financial Performance for the year ended 30 June 2009

	Treasury Department Actual 2007-08 \$'000	Treasury Department Actual 2008-09 \$'000	
Revenues			
Commonwealth grants	8,613,462	10,546,097	The increase in Commonwealth grants reflects the introduction of recurrent funding of \$1.5 billion and capital funding of \$1.04 billion for schools, transport, disability services and affordable housing in support of employment and growth initiatives.
Taxes, fees and fines	8,650,966	7,920,546	Business activity and household confidence were impacted by international events leading to lower total tax collections being generated in Queensland.
Royalties, property income and other territorial revenue	93,500	136,993	
Interest	6,104	7,019	The increase in interest is due to interest earned on the Treasurer's Unclaimed Monies Fund and interest on penalty payments associated with the Fuel Subsidy Scheme (the Fuel Subsidy Scheme was abolished from 1 July 2009).
Administered item revenue	3,253,989	4,332,238	Administered item revenue represents appropriation received from the Consolidated Fund to fund administered expenses. The administered item revenue has risen to meet increased administered expenses (refer below).
Other	7,011	11,875	
Total revenues	20,625,032	22,954,768	
Expenses			
Employee expenses	7,141	6,106	
Supplies and services	183,711	176,288	In 2008-09 an increase in recovery of insurance claims occurred for property, general liability and medical malpractice.
Grants and subsidies	737,458	759,633	
Benefit payments	200,695	434,844	The decrease is attributable to lower QIC management fees after the transfer of investments to Queensland Treasury Corporation.
Interest	22,578	18,166	
Superannuation benefit payments	1,602,784	900,000	The increase in grants relates primarily to the machinery-of-Government transfer of the Office of Liquor, Gaming and Racing.
Long service leave reimbursements	268,276	274,507	
Annual Leave Central Scheme	-	1,180,093	Higher benefit payments are due to the Commonwealth's First Home Owner Boost scheme.
Finance/borrowing costs	175,147	414,326	The decrease represents a reduction in advance funding reserve payments in 2008-09.
Other	101,044	211,209	The implementation of the Annual Leave Central Scheme in 2008-09 has led to claims for reimbursement by agencies of \$1.18 billion.
Total expenses	3,298,834	4,375,172	The increase relates primarily to the change in the balance of the Treasurer's Investment Suspense Account to facilitate the State's borrowing program to fund Queensland infrastructure.
Net surplus before transfers to Government	17,326,198	18,579,596	The increase in other expenses principally represents an increase in insurance claims against the Queensland Government Insurance Fund.
Transfers of administered revenue to Government	17,342,629	18,603,358	
Net surplus/(deficit)	(16,431)	(23,762)	

Queensland Treasury administered revenue

	2007-08	2008-09
Commonwealth funding as a percentage of total revenues	42%	46%
State funding as a percentage of total revenues	16%	19%
Funding from external sources as a percentage of total revenues	42%	35%

Our financial position explained

Controlled

Treasury Department Controlled Summary Statement of Financial Performance for the year ended 30 June 2009

	Treasury Department* Actual 2007-08 \$'000	Treasury Department* Actual 2008-09 \$'000
Revenues		
Output revenue	158,620	132,394
User charges	65,250	84,441
Grants and other contributions	1,153	436
Other	929	676
Gains		
Gain on sale of property, plant and equipment	34	32
Total income	225,986	217,979
Expenses		
Employee expenses	123,512	132,486
Supplies and services	80,258	58,577
Grants and subsidies	6,464	5,303
Depreciation and amortisation	9,187	12,297
Other	5,797	9,174
Total expenses	225,218	217,837
Net surplus	768	142

* Excludes CorpTech and SSA

The decrease is mainly due to the finalisation of the SEQ Water Reform project. Projects include the Sale of Wind and Gas project and the Airports Transaction project.

The increase is mainly due to reimbursement of the implementation costs associated with the SEQ water reforms in 2008-09.

Goods and services received below fair value relating to Office of State Revenue renovations were reflected in 2007-08 grants and other contributions.

The increase in employee expenses is mainly due to machinery-of-Government transfers of Office for Regulatory Efficiency, some functions from Shared Service Agency and an increase in Treasury employees seconded to QSuper.

The decrease relates to the reduction in professional/technical fees paid for major projects, including Sale of Wind and Gas, SEQ Water Reform and the Airports Transaction projects.

The decrease is mainly due to a reduction in grants administered by the Office of Racing which was transferred to the new Department of Employment, Economic Development and Innovation (DEEDI) through a machinery-of-Government change.

The increase is due to Office of State Revenue's Revenue Management System's software licenses and Portfolio Services' Managed Desktop program software licenses.

The increase reflects the costs associated with promotion and advertising campaigns undertaken by the Office of Liquor, Gaming and Racing prior to its machinery-of-government transfer to DEEDI.

Treasury Department Controlled Summary Balance Sheet for the year ended 30 June 2009

	Treasury Department 2007-08* \$'000	Treasury Department 2008-09* \$'000
Assets		
Cash	20,376	28,530
Receivables	11,538	16,657
Inventories
Property, plant and equipment	25,065	13,012
Intangibles	32,398	44,528
Other	1,663	2,987
Total assets	91,040	105,714
Liabilities		
Payables	17,751	22,684
Accrued employee benefits	3,297	13,251
Other	3,068	187
Total liabilities	24,116	36,122
Net assets	66,924	69,592
Total equity	66,924	69,592

* Excludes CorpTech and SSA

The increase is due to annual leave claim receivable under the new Annual Leave Central Scheme that commenced from 1 July 2008.

The decrease is due to the outputs of the Office of Liquor, Gaming and Racing being transferred from Treasury to DEEDI through a machinery-of-Government change.

An increase in Revenue Management System software development of \$18.8M was partially offset by the software in the outputs of Office of Liquor, Gaming and Racing valued at \$6.6M being transferred from Treasury to DEEDI through a machinery-of-Government change.

The increase is predominantly due to amounts owed by Treasury to DEEDI through machinery-of-Government changes and SAP computer expenses.

The increase is due principally to Annual Leave Central Scheme liability being recorded under accrued employee benefits in 2008-09.

The decrease is due to adjustments related to the outputs of the Office of Liquor, Gaming and Racing being transferred from Treasury to DEEDI through a machinery-of-Government change.

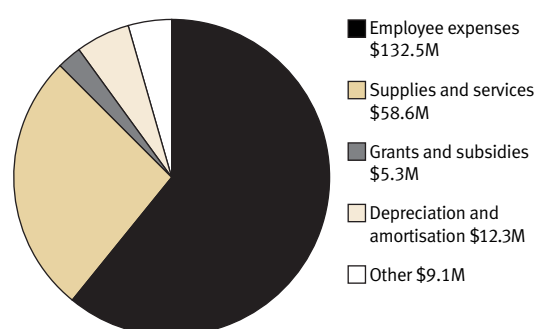
Treasury's equity increased by \$2.67M predominately due to a net equity injection of \$14M for capital expenditure on the Revenue Management System offset by equity transfer of \$11.5M to DEEDI.

The department's ratio of equity to total assets decreased to 65.83% (2007-08: 73.51%) .

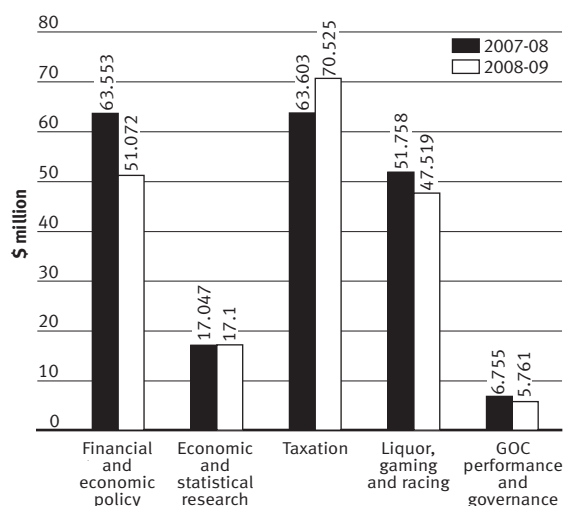
Queensland Treasury controlled key financial performance indicators

	2007-08	2008-09
Net cost of services funded by appropriation (\$ M)	\$157.85	\$132.25
State funding as a percentage of total revenues	70%	61%
Fixed assets employed (\$'000)	\$57,463	\$57,540
Net assets (\$'000)	\$66,924	\$69,592

Total expenses by category 2008-09



Total expenses by output



Analysis and evaluation of administered and controlled financial statements

In 2008-09, Treasury administered \$18.623 billion of revenue and \$4.375 billion of expenses on behalf of the State. This excludes administered item revenue which is appropriation revenue received from the Consolidated Fund to meet administered expenses.

The largest single source of administered revenue was Commonwealth grants \$10.546 billion, followed by State taxes, fees, fines and levies of \$7.921 billion.

State taxes, fees, fines and levies comprised principally payroll tax and duties of \$5.98 billion. Taxes were also collected from gaming operators, and \$28.8 million in grants were distributed to more than 1,572 community organisations through the Gambling Community Benefit Fund and the casino community benefit funds.

The main component of Commonwealth revenues was Queensland's share of the goods and services tax (GST). Other Commonwealth revenue included recurrent and capital grants to build better schools, transport, disability services and affordable housing in support of employment and growth under the new Council of Australian Governments agreement.

Treasury administered a number of grants on behalf of the State in 2008-09 including the Queensland Fuel Subsidy Scheme (\$555.9 million), the First Home Owner Grant (\$264.4 million) and the First Home Owner boost (\$193.4 million). The Fuel Subsidy Scheme was abolished in Queensland from 1 July 2009.

Treasury's controlled revenues consist principally of Parliamentary appropriations. In 2008-09 revenue allocated to outputs was \$132.39 million (2007-08 \$158.62 million). The decrease in output revenue is due predominantly to the finalisation of costs associated with the SEQ Water Reform project. Projects include the Sale of Wind and Gas and the Airports Transaction Team. The Office of State Revenue has been allocated increased revenue of \$7.03 million to improve taxpayer compliance.

Financial statements

Treasury Department and controlled entity

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FOREWORD

These Financial Statements are general purpose financial reports prepared in accordance with prescribed requirements including *Australian Accounting Standards* and the *Financial Reporting Requirements* issued by the Treasurer.

The Financial Statements comprise the following components:

- Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement
- Income Statement by outputs/major activities
- Statement of Assets and Liabilities by outputs/major activities
- Notes to and forming part of the Financial Statements.

Within the above components, the Financial Statements have been aggregated into the following disclosures (refer Note 2(b) and 2(c) for full details of this aggregation):

1. Controlled

- (a) Treasury Department (as an entity in its own right and to which the remainder of this annual report refers) – column headed ‘Treasury Department’; and
 - (b) Consolidated (Treasury Department and the controlled entity listed below) – column headed ‘Consolidated’.
- The entities included in the consolidated amounts are:

- Treasury Department
- Queensland Treasury Holdings Pty Ltd (QTH) and its subsidiaries

2. Administered on behalf of the whole-of-Government – column headed ‘Treasury Department’.

In addition, the department administered transactions and balances in a trust or fiduciary capacity. These are identified in Note 61.

The Treasury Department and its controlled entity are controlled by the State of Queensland which is the ultimate parent.

Treasury Department and controlled entity
Income statement

for the year ended 30 June 2009

		Consolidated	Consolidated	Treasury Department	Treasury Department
		2009	2008	2009	2008
	Notes	\$'000	\$'000	\$'000	\$'000
Income					
Revenue					
Output revenue	4	132,394	158,620	132,394	158,620
User charges	5	84,441	182,665	84,441	65,250
Grants and other contributions	6	436	45,379	436	1,153
Share of surplus/(deficit) of equity accounted joint venture investments	33	(231)	(94)
Other revenue	7	1,987	10,686	676	929
Lease income	8	74
Gains					
Gain on sale of property, plant and equipment	9	226	39,154	32	34
Total income		219,327	436,410	217,979	225,986
Expenses					
Employee expenses	10	132,486	191,167	132,486	123,512
Supplies and services	11	58,577	149,738	58,577	80,258
Depreciation and amortisation	12	12,297	30,789	12,297	9,187
Grants and subsidies	13	5,303	6,464	5,303	6,464
Software licences	14	519	6,295	519	400
Borrowing costs	15	141	41	141	41
Other expenses	16	8,592	7,359	8,514	5,356
Total expenses		217,915	391,853	217,837	225,218
Operating surplus/(deficit) before income tax		1,412	44,557	142	768
 Income tax expense	17	35	793
Operating surplus/(deficit) after income tax		1,377	43,764	142	768

This Income Statement should be read in conjunction with the accompanying notes.

Treasury Department and controlled entity

Balance Sheet

as at 30 June 2009

		Consolidated 2009 \$'000	Consolidated 2008 \$'000	Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
	Notes				
Current assets					
Cash and cash equivalents	18	53,079	125,736	28,530	20,376
Receivables	19	16,657	38,187	16,657	11,538
Other	20	2,987	4,832	2,987	1,663
Total current assets		72,723	168,755	48,174	33,577
Non-current assets					
Investments in jointly controlled entities	33	2,237	2,468
Intangible assets	21	44,528	175,650	44,528	32,398
Property, plant and equipment	22	67,676	26,619	13,012	25,065
Total non-current assets		114,441	204,737	57,540	57,463
Total assets		187,164	373,492	105,714	91,040
Current liabilities					
Payables	23	22,696	45,095	22,684	17,751
Tax liabilities		3	793
Accrued employee benefits	24	13,251	4,055	13,251	3,297
Interest-bearing liabilities	25	..	365	..	365
Other	26	739	42,820	187	641
Total current liabilities		36,689	93,128	36,122	22,054
Non-current liabilities					
Interest-bearing liabilities	25	..	1,997	..	1,997
Other	26	53,844	65	..	65
Total non-current liabilities		53,844	2,062	..	2,062
Total liabilities		90,533	95,190	36,122	24,116
Net assets		96,631	278,302	69,592	66,924
Equity					
Retained surpluses		51,218	49,841	34,191	34,049
Contributed equity		45,413	228,461	35,401	32,875
Total equity		96,631	278,302	69,592	66,924

This Balance Sheet should be read in conjunction with the accompanying notes.

Treasury Department and controlled entity
Statement of changes in equity

for the year ended 30 June 2009

		Consolidated	Consolidated	Treasury Department	Treasury Department
		2009	2008	2009	2008
	Notes	\$'000	\$'000	\$'000	\$'000
Retained surpluses					
Balance 1 July		49,841	178,593	34,049	33,281
Operating surplus/(deficit)		1,377	43,764	142	768
Changes in accounting policy		..	2
Dividends paid		..	(172,518)
Balance 30 June		51,218	49,841	34,191	34,049
Contributed equity					
Balance 1 July		228,461	195,147	32,875	43,181
Appropriated equity injections	4	22,639	3,950	22,639	3,950
Appropriated equity withdrawals	4	(8,733)	(7,344)	(8,733)	(7,344)
Non-appropriated equity injections		..	54,426
Non-appropriated equity withdrawals		103	(17,068)	103	(17,068)
Non-appropriated equity withdrawal - Annual leave entitlements	2(x)	..	2,182	..	2,182
Net assets transferred - MoG change Department of Public Works *	3	(185,574)
Net assets transferred - MoG change Liquor Gaming and Racing	3	(11,515)	..	(11,515)	..
Net assets transferred - MoG change Racing	3	..	7,923	..	7,923
Net assets transferred - MoG change Liquor	3	..	257	..	257
Net assets transferred - MoG change Queensland Office for Regulatory Efficiency	3	..	(82)	..	(82)
Net assets transferred - MoG change Shared Service Agency	3	..	(10,767)
Net assets transferred - Corptech MoG change Department of Main Roads		..	(555)
Employee benefits transfer to/from other departments		32	392	32	(124)
Balance 30 June		45,413	228,461	35,401	32,875
Total equity		96,631	278,302	69,592	66,924

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

* The net assets transferred - MoG change DPW differs from Note 3 by \$0.444M representing consolidation eliminations in equity.

Treasury Department and controlled entity

Cash flow statement

for the year ended 30 June 2009

		Consolidated 2009 \$'000	Consolidated 2008 \$'000	Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
	Notes				
Cash flows from operating activities					
<i>Inflows:</i>					
Output receipts		133,897	156,227	133,897	156,227
User charges		94,685	218,442	94,685	76,266
Grants and other contributions		20,642	39,671	20,642	13
GST input tax credits from ATO		10,103	32,118	10,102	12,314
Interest received		1,754	6,986	443	678
Other		1,232	3,098	1,232	357
<i>Outflows:</i>					
Employee expenses		(139,438)	(193,189)	(139,438)	(122,670)
Supplies and services		(79,308)	(186,049)	(79,229)	(92,847)
Grants and subsidies		(6,478)	(4,921)	(6,478)	(6,438)
Borrowing costs		(140)	(64)	(140)	(64)
GST remitted to ATO		(4,448)	(36,851)	(4,447)	(6,864)
Income tax equivalents		(825)	(40,513)
Other		(9,725)	(6,517)	(9,725)	(5,054)
Net cash provided by/(used in) operating activities	28	21,951	(11,562)	21,544	11,918
Cash flows from investing activities					
<i>Inflows:</i>					
Proceeds from sale of property, plant and equipment		27	7,072	27	7,069
Proceeds from sale of investments		185	78,518
<i>Outflows:</i>					
Payments for property, plant and equipment and intangibles		(26,997)	(55,808)	(26,997)	(15,028)
Net cash provided by/(used in) investing activities		(26,785)	29,782	(26,970)	(7,959)
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		21,894	62,298	21,894	4,894
Proceeds from borrowings		1,226	2,250	1,226	2,250
<i>Outflows:</i>					
Borrowing redemptions		(344)	(126)	(344)	(126)
Equity withdrawals		(9,196)	(24,430)	(9,196)	(24,431)
Dividends paid		..	(172,518)
Net cash provided by/(used in) financing activities		13,580	(132,526)	13,580	(17,413)
Net increase/(decrease) in cash held		8,746	(114,306)	8,154	(13,454)
Cash at beginning of financial year		125,736	252,909	20,376	33,830
Cash transfers due to machinery-of-Government change		(81,403)	(12,867)
Cash at end of financial year	18	53,079	125,736	28,530	20,376

This Cash Flow Statement should be read in conjunction with the accompanying notes.

Treasury Department

Income statement by outputs/major activities

for the year ended 30 June 2009

	Financial and economic policy		Economic and statistical research		Taxation		Liquor gaming and racing		GOC performance and governance		General – not attributed		Inter-output/ activity eliminations		Treasury Department	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Income																
Revenue																
Output revenue	34,008	63,571	9,892	10,222	64,986	57,953	16,696	14,341	5,223	5,275	1,589	7,258	132,394	158,620
User charges	17,364	..	6,525	6,505	5,228	3,862	30,154	38,531	453	1,045	29,300	19,541	(4,583)	(4,234)	84,441	65,250
Grants and other contributions	436	1,153	436	1,153
Other revenue	216	298	69	80	25	20	296	460	28	34	42	38	676	930
Gains																
Gain on sale of property, plant and equipment	2	6	11	4	..	9	19	12	..	1	..	1	32	33
Total income	51,590	63,875	16,497	16,811	70,675	62,997	47,165	53,344	5,704	6,355	30,931	26,838	(4,583)	(4,234)	217,979	225,986
Expenses																
Employee expenses	27,007	23,969	10,784	9,670	36,735	32,128	24,988	28,273	4,427	4,252	28,748	25,380	(203)	(161)	132,486	123,511
Supplies and services	21,273	37,138	5,572	6,353	22,404	24,171	11,035	13,043	1,146	2,270	1,107	694	(3,960)	(3,410)	58,577	80,259
Depreciation and amortisation	835	817	352	428	9,082	5,840	1,803	1,846	89	124	136	132	12,297	9,187
Grants and subsidies	214	297	58	52	23	..	5,406	6,402	2	..	345	..	(745)	(287)	5,303	6,464
Other expenses	1,743	1,332	334	544	2,281	1,464	4,287	2,194	97	109	476	446	(44)	(292)	9,174	5,797
Total expenses	51,072	63,553	17,100	17,047	70,525	63,603	47,519	51,758	5,761	6,755	30,812	26,652	(4,952)	(4,150)	217,837	225,218
Operating surplus/(deficit)	518	322	(603)	(236)	150	(606)	(354)	1,586	(57)	(400)	119	186	369	(84)	142	768

Details of the allocation of corporate support revenues and expenses are provided in Note 27.

This Income Statement by outputs/major activities should be read in conjunction with the accompanying notes.

Treasury Department
Statement of assets and liabilities by outputs/major activities
as at 30 June 2009

	Financial and economic policy		Economic and statistical research		Taxation		GOC performance and governance	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current assets								
Cash and cash equivalents	6,881	7,457	(2,271)	(658)	(394)	(2,090)	(372)	(383)
Receivables	2,777	3,530	2,273	1,707	3,471	774	301	261
Other	103	22	80	159	1,698	630	..	21
Total current assets	9,761	11,009	82	1,208	4,775	(686)	(71)	(101)
Non-current assets								
Intangible assets	167	82	42,390	28,658
Property, plant and equipment	220	300	186	203	2,359	1,049	5	8
Total non-current assets	387	382	186	203	44,749	29,707	5	8
Total assets	10,148	11,391	268	1,411	49,524	29,021	(66)	(93)
Current liabilities								
Payables	1,556	3,245	164	269	7,672	3,175	41	81
Accrued employee benefits	2,697	2,890	1,069	959	4,042	3,138	611	562
Interest-bearing liabilities
Other	187	641
Total current liabilities	4,253	6,135	1,420	1,869	11,714	6,313	652	643
Non-current liabilities								
Interest-bearing liabilities
Other
Total non-current liabilities
Total liabilities	4,253	6,135	1,420	1,869	11,714	6,313	652	643
Net assets	5,895	5,256	(1,152)	(458)	37,810	22,708	(718)	(736)

Treasury Department

Statement of assets and liabilities by outputs/major activities (continued)

as at 30 June 2009

	Liquor gaming and racing		General - not attributed**		Inter-output/activity eliminations		Treasury Department	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current assets								
Cash and cash equivalents	11,824	2,667	12,862	13,383	28,530	20,376
Receivables	5	1,455	7,544	3,895	286	(84)	16,657	11,538
Other	..	269	1,106	562	2,987	1,663
Total current assets	11,829	4,391	21,512	17,840	286	(84)	48,174	33,577
Non-current assets								
Intangible assets	..	1,925	1,971	1,733	44,528	32,398
Property, plant and equipment	..	10,785	10,242	12,720	13,012	25,065
Total non-current assets	..	12,710	12,213	14,453	57,540	57,463
Total assets	11,829	17,101	33,725	32,293	286	(84)	105,714	91,040
Current liabilities								
Payables	11,823	740	1,429	10,241	22,685	17,751
Accrued employee benefits	..	3,108	4,831	(7,360)	13,250	3,297
Interest-bearing liabilities	..	365	365
Other	187	641
Total current liabilities	11,823	4,213	6,260	2,881	36,122	22,054
Non-current liabilities								
Interest-bearing liabilities	..	1,997	1,997
Other	..	65	65
Total non-current liabilities	..	2,062	2,062
Total liabilities	11,823	6,275	6,260	2,881	36,122	24,116
Net assets	6	10,826	27,465	29,412	286	(84)	69,592	66,924

This Statement of Assets and Liabilities by outputs/major activities should be read in conjunction with the accompanying notes.

** Includes assets and liabilities associated with corporate support functions.

Treasury Department
Administered income statement
for the year ended 30 June 2009

		Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
	Notes		
EXPENSES AND INCOME ADMINISTERED ON BEHALF OF THE WHOLE-OF-GOVERNMENT			
Income			
Revenue			
Commonwealth grants	37	10,546,097	8,613,462
Taxes, fees, fines and levies	38	7,920,546	8,650,966
Royalties, property income and other territorial revenue	39	136,993	93,500
Interest	40	7,019	6,104
Administered item revenue	41	4,332,238	3,253,989
Other	42	11,875	7,011
Total income		22,954,768	20,625,032
Expenses			
Employee expenses	43	6,106	7,141
Supplies and services	44	176,288	183,711
Grants and subsidies	45	759,633	737,458
Benefit payments	46	434,844	200,695
Interest	47	18,166	22,578
Superannuation benefit payments		900,000	1,602,784
Long service leave reimbursements		274,507	268,276
Annual Leave Central Scheme claims paid		1,180,093	..
Borrowing costs	48	414,326	175,147
Other	49	211,209	101,044
Total expenses		4,375,172	3,298,834
Net surplus before transfers to Government		18,579,596	17,326,198
Transfers of administered revenue to Government		18,603,358	17,342,629
Operating surplus/(deficit)	50	(23,762)	(16,431)

This Income Statement should be read in conjunction with the accompanying notes.

Treasury Department
Administered balance sheet

As at 30 June 2009

		Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
Notes			
ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE-OF-GOVERNMENT			
Current assets			
Cash and cash equivalents	51	408,766	3,813,099
Receivables **	52	514,427	314,997
Accrued taxes, fees and fines		250,906	273,154
Other **	53	35,676	159,068
Total current assets		1,209,775	4,560,318
Non-current assets			
Receivables	52	154,603	166,297
Total non-current assets		154,603	166,297
Total administered assets		1,364,378	4,726,615
Current liabilities			
Payables	54	389,548	118,913
Transfer to Government payable **		273,747	357,478
Accrued employee benefits	55	..	4
Interest-bearing liabilities	56	10,063	217,333
Other	57	18,865	43,845
Total current liabilities		692,223	737,573
Non-current liabilities			
Interest-bearing liabilities	56	7,674,178	3,712,599
Other	57	..	94,016
Total non-current liabilities		7,674,178	3,806,615
Total administered liabilities		8,366,401	4,544,188
Administered net assets		(7,002,023)	182,427
Equity			
Retained surpluses **		62,537	86,299
Contributed equity		(7,064,560)	96,128
Total administered equity	2 (af)	(7,002,023)	182,427

This Balance Sheet should be read in conjunction with the accompanying notes.

** Refer to note 63 for explanation of the changes in comparatives

Treasury Department

Administered statement of changes in equity

for the year ended 30 June 2009

		Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
Notes			
EQUITY ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT			
Retained surpluses			
Balance 1 July **		86,299	103,344
Operating surplus/(deficit)		(23,762)	(16,431)
Prior year adjustments		..	(614)
Balance 30 June		62,537	86,299
Contributed equity			
Balance 1 July		96,128	112,372
Equity injections	41	557,203	1,018,799
Equity withdrawals	41	(955,989)	(263,527)
Non-appropriated equity injections		1,009,868	263,537
Non-appropriated equity withdrawals **		(7,754,337)	(1,035,065)
Non-appropriated equity withdrawals - Annual leave entitlements		..	2
Net assets transferred - MoG change			
Liquor Gaming and Racing	3	(17,431)	..
Other transfers		(2)	10
Balance 30 June		(7,064,560)	96,128
Total equity		(7,002,023)	182,427

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

** Refer to note 63 for explanation of changes in comparatives

Treasury Department
Administered cash flow statement
for the year ended 30 June 2009

	Notes	Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE-OF-GOVERNMENT			
Cash flows from operating activities			
<i>Inflows:</i>			
Administered item receipts		4,057,358	3,291,628
Grants and other contributions		10,570,078	8,613,462
Taxes, fees and fines		7,947,049	8,501,125
Royalties, property income and other territorial revenues		122,235	89,695
Interest		6,908	6,227
GST input tax credits from ATO		6,845	10,104
Other		3,474	137,197
<i>Outflows:</i>			
Transfers to Government		(18,638,315)	(17,297,479)
Grants and subsidies		(1,176,189)	(934,859)
Interest paid to Departments		(22,245)	(21,891)
Borrowing costs		(65,208)	(177,312)
Supplies and services		(214,972)	(203,532)
GST remitted to ATO		(9,690)	(9,779)
Superannuation benefit payments		(900,000)	(1,602,783)
Long service leave reimbursements		(272,858)	(258,851)
Annual leave reimbursements		(885,093)	..
Other		(198,261)	(96,795)
Net cash provided by/(used in) operating activities	58	331,116	46,157
Cash flows from investing activities			
<i>Inflows:</i>			
Loans and advances		15,627	4,883
Investments redeemed		..	298,998
<i>Outflows:</i>			
Investments acquired	
Loans and advances made		(5,415)	(16,664)
Net cash provided by/(used in) investing activities		10,212	287,217
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		1,812,178	1,558,044
Borrowings		3,775,518	3,857,720
<i>Outflows:</i>			
Borrowing redemptions		(381,233)	(2,774)
Equity withdrawals		(8,952,124)	(1,574,255)
Net cash provided by/(used in) financing activities		(3,745,661)	3,838,735
Net increase/(decrease) in cash held		(3,404,333)	4,172,109
Administered cash at beginning of financial year		3,813,099	(359,010)
Administered cash at end of financial year	51	408,766	3,813,099

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Treasury Department

Administered income statement by outputs/major activities

for the year ended 30 June 2009

	Financial and economic policy		Taxation		Liquor gaming and racing		Community investment fund		Other*		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income												
Revenue												
Commonwealth grants	10,546,097	8,613,462									10,546,097	8,613,462
Taxes, fees and fines	9		7,883,570	8,613,514	23,028	16,023	13,902	21,429	37		7,920,546	8,650,966
Royalties, property income and other territorial revenue	133,762	90,687			3,185	2,543			46	270	136,993	93,500
Interest			461	2	594	889	310	396	5,654	4,817	7,019	6,104
Administered item revenue	176,832	177,080	1,052,753	781,720	34,338	36,700	43,828	30,203	3,024,487	2,228,286	4,332,238	3,253,989
Other	1,066	626			461	139			10,348	6,246	11,875	7,011
Total Income	10,857,766	8,881,855	8,936,784	9,395,236	61,606	56,294	58,040	52,028	3,040,572	2,239,619	22,954,768	20,625,032
Expenses												
Employee expenses	(105)	661		1	215	252			5,996	6,227	6,106	7,141
Supplies and services	126,715	119,880	5,024	5,406	1,340	1,779	22,105	23,023	21,104	33,623	176,288	183,711
Grants and subsidies	6,376	56,539	564,719	561,681	28,690	38,729	68,735	47,939	91,113	32,570	759,633	737,458
Benefit payments			434,844	200,695							434,844	200,695
Interest									18,166	22,578	18,166	22,578
Superannuation benefit payments									900,000	1,602,784	900,000	1,602,784
Long service leave reimbursements									274,507	268,276	274,507	268,276
Annual Leave Central Scheme									1,180,093		1,180,093	
Borrowing costs									414,326	175,147	414,326	175,147
Other	43,846		48,168	13,936	15	26			119,180	87,082	211,209	101,044
Total expenses	176,832	177,080	1,052,755	781,719	30,260	40,786	90,840	70,962	3,024,485	2,228,287	4,375,172	3,298,834
Net surplus before transfers to Government	10,680,934	8,704,775	7,884,029	8,613,517	31,346	15,508	(32,800)	(18,934)	16,087	11,332	18,579,596	17,326,198
Transfers of administered revenue to Government	10,680,934	8,704,775	7,884,029	8,613,517	22,308	13,005			16,087	11,332	18,603,358	17,342,630
Operating surplus/(deficit)					9,038	2,503	(32,800)	(18,934)			(23,762)	(16,432)

This Income Statement by Outputs/Major Activities should be read in conjunction with the accompanying notes.

* Includes Superannuation and central leave schemes.

Treasury Department

Administered statement of assets and liabilities by output/major activities

As at 30 June 2009

	Financial and economic policy		Taxation		Liquor gaming and racing		Community investment fund **		Other		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT												
Current assets												
Cash and cash equivalents	(380,115)	19,589	(53,071)	(130,258)	12,780	(40,100)	56,850	92,106	772,322	3,871,762	408,766	3,813,099
Receivables	294,189	34,437	197,151	213,097	..	52,399	..	140	23,087	14,924	514,427	314,997
Accrued taxes, fees and fines	250,906	272,639	..	515	250,906	273,154
Other	35,676	22,829	..	37,456	..	98,783	35,676	159,068
Total current assets	(50,250)	76,855	394,986	392,934	12,780	111,597	56,850	92,246	795,409	3,886,686	1,209,775	4,560,318
Non-current assets												
Receivables	500	750	154,103	165,547	154,603	166,297
Total non-current assets	500	750	154,103	165,547	154,603	166,297
Total administered assets	(49,750)	77,605	394,986	392,934	12,780	111,597	56,850	92,246	949,512	4,052,233	1,364,378	4,726,615
Current liabilities												
Payables	8,528	40,976	3,540	1,090	12,780	69	..	2,597	364,700	74,181	389,548	118,913
Transfer to Government payable	786	25,363	376,281	369,234	..	1,027	(103,320)	(38,146)	273,747	357,478
Accrued employee benefits	4
Interest-bearing liabilities	10,063	217,333	10,063	217,333
Other	..	70,079	14,720	22,165	..	4,777	4,145	(53,176)	18,865	43,845
Total current liabilities	9,314	136,418	394,541	392,489	12,780	5,877	..	2,597	275,588	200,192	692,223	737,573
Non-current liabilities												
Interest-bearing liabilities	7,674,178	3,712,599	7,674,178	3,712,599
Other	94,016	94,016
Total non-current liabilities	94,016	7,674,178	3,712,599	7,674,178	3,806,615
Total administered liabilities	9,314	136,418	394,541	392,489	12,780	99,893	..	2,597	7,949,766	3,912,791	8,366,401	4,544,188
Net Assets	(59,064)	(58,813)	445	445	..	11,704	56,850	89,649	(7,000,254)	139,442	(7,002,023)	182,427

This Statement of Assets and Liabilities by outputs/major activities should be read in conjunction with the accompanying notes.

** On 26 March 2009 the assets and liabilities of the Liquor Gaming and Racing output transferred to the Department of Employment, Economic Development and Innovation (Refer Note 3). The assets and liabilities of the Community Investment Fund remained part of the Treasury Department and have been disclosed separately in the above table.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

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Treasury Department and controlled entity
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Treasury Department and controlled entity

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

1. Objectives of the department

Treasury Department provides expert policy analysis and advice as well as the strategic and financial services and frameworks necessary to place the Government and the State in a better position to achieve sustainable long-term economic growth and strong fiscal performance.

The department is predominantly funded by parliamentary appropriations. Its structure consists of Treasury Office and three portfolio offices, allowing for a streamlined approach to dealing with policy and service delivery issues. The Treasury Department is structured to help the Government meet its community objectives as outlined in *Toward Q2: Tomorrow's Queensland* and its fiscal objectives as required in the new *Charter of Fiscal Responsibility*.

The department's outputs are:

- financial and economic policy
- GOC performance and governance
- economic and statistical research
- taxation

2. Summary of significant accounting policies

The significant policies, which have been adopted in the preparation of these financial statements, are as follows:

(a) Basis of accounting

The financial statements have been prepared in accordance with Australian Accounting Standards. In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ended 30 June 2009 and other authoritative pronouncements.

These financial statements constitute a general purpose financial report.

Except where stated, the financial statements have been prepared in accordance with the historical cost convention.

The accrual basis of accounting has been adopted for both controlled transactions and balances, and those administered by the department on a whole-of-Government basis.

(b) The reporting entity and principles of consolidation

The consolidated financial statements include the value of all revenues, expenses, assets, liabilities and equity of the department and the entity that it controls. Details of the department's controlled entity is disclosed in Note 32.

The department as an economic entity consists of the parent entity together with Queensland Treasury Holdings Pty Ltd as a controlled entity. In order to provide enhanced disclosure, the department has adopted the principles outlined in Australian Accounting Standard AASB 127 *Consolidated and Separate Financial Statements*. This approach is considered appropriate as it reflects the relationship between the department's core business activities and those of its controlled entity. In the process of reporting the department as a single economic entity, all transactions with the entity controlled by the department have been eliminated (where material).

Where control of an entity is obtained during the financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year in which control existed.

(c) Administered transactions and balances

Those revenues, expenses, assets and liabilities under the discretionary control of the department are classified as controlled transactions or balances.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

The department administers, but does not control, certain resources on behalf of the Government such as the collection of State taxes, fees and levies. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Transactions and balances relating to administered resources are not recognised as controlled revenues, expenses, assets or liabilities, but are disclosed separately as administered transactions and balances in the shaded administered statements and associated notes.

(d) Trust transactions and balances

The department administers certain transactions and balances in a trust or fiduciary capacity such as the Treasurer's Unclaimed Monies Fund and Treasurer of Queensland Accounts.

As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in Note 61. While these transactions and balances are in the care of the department, they are subject to the department's normal system of internal control and external audit by the Auditor-General.

(e) Output revenue/administered item revenue

Appropriations provided under the Annual Appropriation Act are recognised as revenue when received.

Appropriation payments to the department were based on the value of the outputs that it delivered in the year.

Amounts appropriated to the department for transfer to other entities in accordance with legislation or other requirements are not controlled by the department and such amounts are reported as administered item appropriations.

(f) User charges, taxes, fees, fines and levies

User charges and fees controlled by the department are recognised as revenues once the related goods or services are provided. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

Taxes, fees, fines and levies collected but not controlled by the department are reported as administered revenue and are disclosed in Note 38. Taxes are recognised when the underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably. Taxation revenue also includes interest, penalties and relevant fees.

Revenue from self assessed taxes such as payroll tax and certain duties is recognised when the assessment returns are received. Other revenues are recognised when assessments are issued as a result of Commissioner assessed transactions or following compliance activities such as reviews and audits.

Other departmental fees and fines are recognised when the payment is received.

(g) Grants and other contributions

Grants, donations, gifts and other contributions that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them. Control is obtained upon their receipt. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. Cash assets include investments with short periods to maturity that are readily convertible to cash on hand at the department's option and that are subject to a low risk of changes in value.

(i) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement of trade debtors is required within 30 days. The collectability of receivables is assessed periodically with provision made for impairment. All known bad debts were written-off as at 30 June. Increases in the provision for impairment are based on loss events as disclosed in Note 19 and Note 52.

Loans and advances are brought to account at amortised cost.

Other debtors arise from transactions outside the usual operating activities of the department and are recognised at nominal amounts.

(j) Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes all costs of purchase, cost of conversion and other costs incurred in bringing them to their present location and condition, except for training costs which are expensed as incurred. The costs of conversion of inventories include costs directly related to the units of production, such as direct labour and overhead costs. The assessment of net realisable value is made in relation to the future proceeds estimated at the reporting date, considering sales trends, the age and condition of inventory and marketing strategy.

The department recognises publications held for resale as inventories. All other items are expensed in the year of purchase.

(k) Other financial assets

Investments designated as available for sale financial assets which do not have a quoted market price in an active market and where fair value cannot be reliably measured, are measured at cost.

(l) Non-current assets classified as held for sale

Non-current assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probable within the next twelve months.

These assets are measured at the lower of the assets' carrying amounts and their fair values less costs to sell. The assets are not depreciated.

(m) Investments in jointly controlled entities

Investments in jointly controlled entities are accounted for using the equity method.

Under the equity method of accounting, the share of the profits or losses of the joint venture entity is recognised in the Income Statement, and the share of movements in reserves is recognised in reserves in the Balance Sheet.

Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

(n) Acquisition of assets

Actual cost is used for the initial recording of all acquisitions of assets controlled and administered by the department. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all costs incurred in getting the assets ready for use, including architects' fees and engineering design fees where applicable. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(o) Property, plant and equipment

All items of property, plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

Items or components which form an integral part of an asset are recognised as a single asset (functional asset). The recognition threshold is applied to the aggregate cost of each functional asset.

(p) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed.

The department's principal intangible assets are internally generated software, purchased software and software development in progress.

It has been determined that there is no active market for any of the department's intangible assets. As such, these are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Purchased software is amortised on a straight-line basis over its estimated useful life to the department of three to seven years, with zero residual value.

Costs associated with the development of computer software have been capitalised to the extent that future economic benefits are more rather than less likely to eventuate and are amortised on a straight line basis over the period of the expected benefit to the department, which varies from three to seven years with zero residual value.

Software licences are expensed due to the changing nature of software except where the amounts are of significant value and the department expects to receive benefits over three or more years. In this instance, the software is capitalised as an intangible asset and amortised over the period in which the related benefits are expected to be realised with zero residual value.

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

(q) Amortisation and depreciation of intangibles, property, plant and equipment

Land is not depreciated as it has an unlimited useful life.

Intangibles, property, plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or re-valued amount of each asset, less its estimated residual value, progressively over its estimated

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

useful life to the department. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity.

The cost (or other value) of leasehold improvements is amortised over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is shorter.

Where assets have separately identifiable components that are subject to replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

For each class of depreciable asset, the following depreciation/amortisation rates were used:

Class	Depreciation/amortisation rates
Buildings	2%
Plant and equipment	
– IT and communications	20% - 33.3%
– Furniture and office amenities	10%
– Motor vehicles	33.3%
– Office equipment	20%
Leasehold improvements	
– Leasehold improvements	8.3%
Intangibles	
– Internally generated software	10.0% - 33%
– Purchased software/licences	9.09% - 33.3%

(r) Revaluations of non-current physical assets

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

Plant and equipment is measured at cost. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

Non-current physical assets measured at fair value are comprehensively re-valued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Only those assets, the total values of which are material compared to the value of the class of assets to which they belong, are comprehensively re-valued.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(s) Impairment of non-current assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis for each class of asset. If an indicator of possible impairment exists, for example redundant legislation

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

leading to system obsolescence, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement unless the asset is carried at revalued amount. When the asset is measured at a re-valued amount, impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of the impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer to note 2(i).

(t) Leases

The department has entered into a number of operating leases whereby the lessor effectively retains substantially the entire risks and benefits incidental to ownership. Non-cancellable operating lease commitments are disclosed under Note 30.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are expensed in the periods in which they are incurred.

(u) Payables

Trade creditors are recognised upon receipt of goods and services at the contracted amount to be paid for the goods and services received. Amounts owing are generally settled on 30 day terms.

(v) Interest-bearing liabilities

Loans payable are recognised at amortised cost, with interest being expensed as it accrues. Interest on the QTC Floating Rate Debt Pool and Government Debt Pool are capitalised.

The fair value of these loans is disclosed in Notes 60.

(w) Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Balance Sheets when the department becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at nominal amounts
- Loans and advances – held at amortised cost
- Held to maturity investment – held at amortised cost
- Payables – held at nominal amounts
- Borrowings – held at amortised cost

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that the department has an unconditional right to defer settlement until at least 12 months after balance sheet date.

The department does not enter transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit and loss.

All disclosures relating to the measurement basis and financial risk management of financial instruments held by the department are included in Notes 36 and 60.

(x) Employee benefits

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Balance Sheet at the nominal salary rates. Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses. Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Effective from 30 June 2008, no provision for annual leave has been recognised in the department's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. On 30 June 2008, the current portion of employees' annual leave liabilities was extinguished by recognising a short-term payable to the Crown (refer to note 23). The non-current portion of employees' annual leave liabilities was also extinguished on that date by the Crown making a non-appropriated equity injection to the department (refer to the Statement of Changes in Equity).

Long service leave

Under the Queensland Government's long service leave scheme, a levy is made on the department to cover the cost of employees' long service leave. Levies are expensed in the period in which they are paid or payable.

Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. Therefore, no provision for long service leave is recognised in the department's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Executive Remuneration

The executive remuneration disclosures in the employee expenses note (Note 10) in the financial statements include:

- the aggregate remuneration of all senior executive officers (including Chief Executive Officer) whose remuneration for the financial year is \$100,000 or more, and
- the number of senior executives whose total remuneration for the financial year falls within each successive \$20,000 band, commencing at \$100,000.

The remuneration disclosed is all remuneration paid or payable, directly or indirectly, from the entity or any related party in connection with the management of the affairs of the entity or any subsidiaries, whether as an executive or otherwise. For this purpose, remuneration includes:

- wages and salaries
- accrued leave (that is, the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increases or the like)
- accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable as at 30 June)
- car parking benefits and the cost of motor vehicles, such as lease payments, fuel costs, registration/insurance and repairs/maintenance incurred by the agency during the financial year, both paid and payable as at 30 June, net of any amounts subsequently reimbursed by the executives
- allowances (which are included in remuneration agreements of executives, such as airfares or other travel costs paid to/for executives whose homes are situated in a location other than the location they work in)
- fringe benefits tax included in remuneration agreements

The disclosures apply to all senior executives appointed under the *Public Service Act 2008* and classified SES1 and above with remuneration above \$100,000 in the financial year. 'Remuneration' means any money, consideration or benefit, but excludes amounts:

- paid to an executive by the entity or its subsidiary where the person worked during the financial year wholly or mainly outside Australia during the time the person was so employed, or
- in payment or reimbursement of out of pocket expenses incurred for the benefit of the entity or any of its subsidiaries.

In addition, separate disclosure of separation and redundancy/termination benefit payments is included where applicable.

(y) Fuel subsidy payments

Fuel subsidy payments are paid to registered clients upon receipt of a claim in accordance with the requirements of the *Fuel Subsidy Act 1997*. The department performs subsequent compliance investigations for a sample of clients to assess the validity of payments made, with any recoveries of overpayments being credited to the fuel subsidy expenditure account.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)**(z) Borrowing costs**

Borrowing costs are recognised as expenses in the period in which they are incurred.

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings
- ancillary administration charges
- performance dividends on QTC Borrowings - QTC collects performance dividends on the amount drawn down in accordance with rates set by Treasury Department from time to time

(aa) Taxation

The Treasury Department and its controlled entity are State bodies as defined under the *Income Tax Assessment Act 1936* and are exempt from Commonwealth taxation with the exception of fringe benefits tax (FBT) and goods and services tax (GST). As such, FBT and GST credits receivable from/payable to the Australian Taxation Office (ATO) are recognised and accrued.

Queensland Lottery Corporation Pty Ltd (QLC), a controlled entity of QTH, is subject to the National Tax Equivalents Regime (NTER). Under the NTER, QLC is required to make payments to the State Treasurer equivalent to the amount of Commonwealth income tax (refer to note 17).

In calculating the income tax equivalent expense, tax effect accounting principles are adopted for income received and expenses paid in relation to the activities of QLC. Deferred income tax liabilities are recognised for all taxable temporary differences arising from prepayments of expenditure of QLC. Deferred tax assets are recognised where it is probable that future taxable income will be available against which the temporary differences can be utilised.

(ab) Services received free of charge or for nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense. Examples of such services provided include archival services provided by Queensland State Archives and the office accommodation program provided by Department of Public Works.

(ac) Allocation of revenues and expenses from ordinary activities of corporate services

The department has the necessary information systems to allocate direct items to outputs and this is reflected in the Income Statement by outputs/major activities.

The department allocates corporate service overheads to its controlled outputs based on the average usage patterns of the output's key drivers of costs. Further details are provided at Note 27.

(ad) Insurance

The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund with premiums paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(ae) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

(af) Contributed equity

The negative net equity position of Treasury administered represents whole of government borrowings on-forwarded to the Consolidated Fund to inject into other departments to satisfy their capital requirements.

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to 'Contributed equity' in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(ag) Issuance of financial statements

The financial statements are authorised for issue by the Under Treasurer and Chief Finance Officer at the date of signing the Management Certificate.

(ah) Judgements and assumptions

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Contingencies - note 31

(ai) New and revised accounting standards

The department did not voluntarily change any of its accounting policies during 2008-09. The significance of those new and amended Australian accounting standards that were applicable for the first time in the 2008-09 financial year and have had a significant impact on the department's financial statements is as follows.

A review has been undertaken of revised accounting standard AASB 1004 *Contributions*, and it is considered the financial statements adequately reflect the matters required to be disclosed, given the Treasury Department's present operating circumstances.

Notes 45, 46 and 62 confirm the broad identity of the recipients of transfer payments classified as administered expenses, consistent with the disclosure requirements of AASB 1050 *Administered Items*.

New accounting standard AASB 1052 *Disaggregated Disclosures* now requires disclosure of the amounts of controlled assets and liabilities attributable to each departmental output. This is set out in the new Statement of Assets and Liabilities by Outputs/Major Activities.

The department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department (Financial Management Branch). Consequently, the department has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The department will apply these standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, a number of new or amended Australian accounting standards with future commencement dates will have a significant impact on the department. Details of these impacts are set out below.

The department will need to comply with a revised version of AASB 101 *Presentation of Financial Statements* as from 2009-10. This revised standard does not have measurement or recognition implications. However, in line with the new concept of 'comprehensive income' in the revised AASB 101, there will be significant

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

2. Summary of significant accounting policies (continued)

changes to the presentation of the department's income and expenses that are currently presented in the Income Statement and the Statement of Changes in Equity. In addition, where there have been retrospective accounting policy changes, retrospective re-statement of items in the financial statements or re-classifications of financial statement items during the current reporting period, the revised AASB 101 will require a statement of financial position to be presented as at the beginning of the earliest comparative period included in the financial statements.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the department, or have no material impact on the department.

3. Outputs of the department

The identity and purpose of each major output undertaken by the department during the year is summarised below.

Financial and economic policy

Treasury Office provides policies, strategies and advice at a whole-of-Government level to promote value-for-money service delivery, manage the State's finances in accordance with the *Charter of Fiscal Responsibility* and advance the performance of the Queensland economy to support growth and employment.

Government-owned corporations performance and governance

The Office of Government Owned Corporations (OGOC) provides advice and support to shareholding Ministers in administering the Government's shareholding in GOCs, which operate on the basis of competitive neutrality. This includes taking a strategic approach to policy development for GOCs, monitoring performance and ensuring compliance with relevant legislation.

Economic and statistical research

The Office of Economic and Statistical Research (OESR) is responsible for providing whole-of-government economic and statistical research services including statistics, modelling and data management. OESR provide timely and comprehensive advice to the Treasurer and other key stakeholders on policies to promote economic efficiency and flexibility.

Taxation

OSR delivers and administers revenue management services for Queensland taxes (comprising duties, pay-roll tax, land tax, Community Ambulance Cover levy and gambling taxes) and grants. OSR also conduct revenue compliance and debt recovery activities and provide legislative and policy advice to the Queensland Government to help maintain and improve the State's revenue system.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

3. Outputs of the department (continued)

Major activities of the department 2008-09

Major activities – transfer of CorpTech to the Department of Public Works

CorpTech was transferred to the department of Public Works as a consequence of a machinery-of-Government change with effect from 1 July 2008.

The following assets and liabilities of CorpTech were transferred to the Department of Public Works:

		\$'000
Assets		
	Cash	81,403
	Receivables	26,776
	Property, plant and equipment	1,554
	Intangible assets *	143,253
	Other	3,168
		<u>256,154</u>
Liabilities		\$'000
	Payables	28,086
	Accrued employee benefits	759
	Other	42,179
		<u>71,024</u>
Net assets		<u>185,130</u>

* Adjustments to the amount of intangible assets were required post MOG sign off due to a restatement of work in progress for the 2006-07 and 2007-08 financial years. Refer to note 64 for further details

The decrease in net assets of \$185.130M has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity.

Major activities – transfer of Office of Liquor Gaming and Racing (OLGR) to the Department of Employment, Economic Development and Innovation (DEEDI)

The Office of Liquor, Gaming and Racing (OLGR) was transferred to the Department of Employment, Economic Development and Innovation (DEEDI) as a consequence of a machinery-of-Government change with effect from 26 March 2009.

The following controlled assets and liabilities of OLGR were transferred to DEEDI:

		\$'000
Assets		
	Cash	10,384
	Receivables	3,152
	Other current assets	302
	Property, plant and equipment	11,258
	Intangible assets	2,420
		<u>27,516</u>
Liabilities		\$'000
	Payables	12,567
	Interest bearing liabilities	3,245
	Accrued employee entitlements	184
	Other	5
Net assets		<u>16,001</u> <u>11,515</u>

Treasury Department and controlled entity

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

3. Outputs of the department (continued)

The decrease in net controlled assets of \$11.515M has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity.

Controlled appropriation revenue of \$ 1.391M was transferred to DEEDI.

The following administered assets and liabilities of OLGR were transferred to DEEDI:

		\$'000
Assets		
	Cash	22,032
	Receivables	2,616
	Other assets*	96,882
		<u>121,530</u>
		\$'000
Liabilities		
	Payables	8,444
	Accrued employee entitlements	13
	Other	95,642
		<u>104,099</u>
Net assets		<u>17,431</u>

* Adjustments to the amount of Other Assets were required post MOG sign off to reflect a prepayment to the Consolidated Fund for Unearned Revenue in relation to casino rentals

No Administered appropriation revenue was transferred to DEEDI.

Major activities – administrative transfer of the operations of the Queensland Spatial Information Office (QSIO), the Cooperative Research Centre for Spatial Information (CRC-SI) and the Government Information Licensing Framework (GILF) to the Department of Environment and Resource Management (DERM)

Each of these operational groups was located within the Office of Economic and Statistical Research (OESR), a portfolio office of Treasury Department.

As a result of this change, the following assets and liabilities were transferred from Treasury Department to the Department of Environment and Resource Management (DERM) effective 27 February 2009:

		\$'000
Assets		
	Cash	216
	Prepayment	19
		<u>235</u>
		\$'000
Liabilities		
	Unearned Revenue	(235)
		<u>(235)</u>
Net assets		<u>0</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

3. Outputs of the department (continued)

Major activities of the department 2007-08

Major activities – transfer of Office of Racing from the Department of Local Government, Sport and Recreation (DLGSR) to Queensland Treasury

On 1 October 2007, the following assets and liabilities of the Office of Racing were transferred from DLGSR to Treasury Department:

		\$'000
Assets		
	Cash	65
	Property, plant and equipment	8,291
	Intangible assets	22
	Other	3
		<u>8,381</u>
		\$'000
Liabilities		
	Accrued employee benefits	223
	Interest-bearing liabilities	235
		<u>458</u>
		\$'000
Net assets		<u>7,923</u>

The increase in net assets of \$7.923M has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

Expenses and revenues reliably attributed to the Office of Racing and reported in the Income Statement by Outputs/Major Activities 2007-08 relate to the period 1 October 2007 to 30 June 2008.

Appropriation revenue of \$2.866M was also transferred to Treasury Department.

Major activities – transfer of Liquor Licensing Division from the former Department of Tourism, Fair Trading and Wine Industry Development (DTFTWID) to Treasury Department.

On 1 October 2007, the following assets and liabilities of the Liquor Licensing Division were transferred from DTFTWID to Treasury Department:

		\$'000
Assets		
	Cash	1,131
	Receivables	129
	Property, plant and equipment	256
	Intangible assets	98
	Other	51
		<u>1,665</u>
		\$'000
Liabilities		
	Payables	195
	Accrued employee benefits	757
	Other	456
		<u>1,408</u>
		\$'000
Net assets		<u>257</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

3. Outputs of the department (continued)

The increase in net assets of \$0.257M has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

Expenses and revenues reliably attributed to the Liquor Licensing Division and reported in the Income Statement by Outputs/Major Activities 2007-08 relate to the period 1 October 2007 to 30 June 2008.

Appropriation revenue of \$7.692M was also transferred to Treasury Department.

Major activities – transfer of Queensland Office for Regulatory Efficiency from the Department of Tourism, Regional Development and Industry (DTRDI) to Treasury Department.

On 1 April 2008 the following assets and liabilities of the Queensland Office for Regulatory Efficiency were transferred from DTRDI to Treasury Department:

		\$'000
Assets		
	Cash	34
		<u>34</u>
		\$'000
Liabilities		
	Accrued employee benefits	116
		<u>116</u>
		<u>(82)</u>
Net assets		

The decrease in net assets of \$0.082M has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity.

Expenses and revenues reliably attributed to the Queensland Office for Regulatory Efficiency and reported in the Income Statement by Outputs/Major Activities 2007-08 under the output Financial and Economic Policy, relate to the period 1 April 2008 to 30 June 2008.

Appropriation revenue of \$0.816M was also transferred to Treasury department.

Major activities – Transfer of Government Superannuation Office (GSO) to QSuper Limited (QSL)

GSO provided to the Government and the QSuper Board of Trustees policy advice, products and services concerned with regulatory frameworks and legislation related to the superannuation arrangements of Queensland State public sector employees. It also managed the State Public Sector Superannuation Scheme, QSuper, on behalf of its Board of Trustees. It also administered the superannuation arrangements for Queensland public sector employees, members of the Queensland Legislative Assembly and the judiciary as well as the long service leave entitlements of Queensland Government employees.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

3. Outputs of the department (continued)

On 1 July 2007, the following assets and liabilities of GSO were transferred to QSL:

		\$'000
Assets		
	Cash	12,826
	Receivables	6,412
	Property, plant and equipment	4,431
	Intangible assets	3,052
	Other	286
		<u>27,007</u>
		\$'000
Liabilities		
	Payables	7,082
	Accrued employee benefits	2,857
		<u>9,939</u>
Net assets		<u>17,068</u>

Major activities – transfer of Corporate Service Reform Office (CSRO) to CorpTech

The CSRO is responsible for policy and program management of the Shared Services Initiative across the sector.

On 1 July 2007, the following assets and liabilities of CSRO were transferred to CorpTech:

		\$'000
Assets		
	Cash	(499)
	Receivables	1,562
	Property, plant and equipment	54
		<u>1,117</u>
		\$'000
Liabilities		
	Payables	532
	Accrued employee benefits	382
	Other	889
		<u>1,803</u>
Net assets		<u>(686)</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

3. Outputs of the department (continued)

Major activities – transfer of Shared Service Agency (SSA) to the Department of Public Works

The SSA is a whole of government approach to corporate service delivery. Shared services is underpinned by standardising business processes, consolidating technology and pooling resources and expertise.

On 1 October 2007, the following assets and liabilities of SSA (incorporating SSA Corporate, CorporateLink, PartnerOne and Corporate Solutions Queensland) were transferred to the Department of Public Works:

		SSA Corporate	Corporate- Link	PartnerOne	Corporate Solutions Queensland	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Assets	Cash	(1,451)	3,245	4,155	6,918	12,867
	Receivables	1,337	12,424	5,382	17,424	36,567
	Inventories	..	11	11
	Property, plant and equipment	122	2,838	2,488	4,450	9,898
	Intangibles	206	206
	Other	4	(38)	..	250	216
		12	18,480	12,025	29,248	59,765
Liabilities		\$'000	\$'000	\$'000	\$'000	\$'000
	Payables	(32)	3,788	2,571	7,913	14,240
	Accrued employee benefits	218	4,035	3,004	5,049	12,306
	Other	..	6,933	3,889	11,630	22,452
		186	14,756	9,464	24,592	48,998
Net assets		(174)	3,724	2,561	4,656	10,767

The late capitalisation of fitout assets in Corporate Solutions Queensland has led to a difference of \$0.752M in net assets transferred when compared to the MOG sign-off sheet of \$10.015M.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
4. Reconciliation of payments from Consolidated Fund to Output revenue recognised in the Income Statement				
Budgeted output appropriation	159,637	113,245	159,637	113,245
Transfer to/from other departments	(575)	11,828	(575)	11,828
Transfer to/from other heading	(25,165)	..	(25,165)	..
Unforeseen expenditure	..	30,698	..	30,698
Total output receipts	133,897	155,771	133,897	155,771
Less opening balance of output appropriation receivable	(2,003)	..	(2,003)	..
Plus closing balance of output appropriation receivable	500	2,003	500	2,003
Plus opening balance of unearned output appropriation	..	390	..	390
Less closing balance of unearned output appropriation
Plus unearned revenue transferred as part of Liquor Licensing machinery-of-Government transfer	..	456	..	456
Output revenue recognised in Income Statement	132,394	158,620	132,394	158,620
Reconciliation of payments from Consolidated Fund to appropriated equity adjustment recognised in the Statement of Changes in Equity				
Budgeted equity adjustment appropriation	14,192	(15,539)	14,192	(15,539)
Transfer to/from other departments	(261)	(314)	(261)	(314)
Transfer to/from other heading	(838)	..	(838)	..
Unforeseen expenditure	..	13,272	..	13,272
Total equity adjustment receipts	13,093	(2,581)	13,093	(2,581)
Less closing balance of equity injection receivable	..	(813)	..	(813)
Plus opening balance of equity injection receivable	813	..	813	..
Appropriated equity adjustment recognised in contributed equity	13,906	(3,394)	13,906	(3,394)
5. User charges				
Sale of goods				
CorpTech				
Non-quarantined	..	6,910
Other	24,544	7,730	24,544	7,730
	24,544	14,640	24,544	7,730
Services rendered				
CorpTech and SSA				
Quarantined	..	108,825
Less: performance return	..	(4,008)
Non-quarantined	..	5,686
Other services rendered	59,897	57,522	59,897	57,520
	59,897	168,025	59,897	57,520
	84,441	182,665	84,441	65,250

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury Department	Treasury Department
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
6. Grants and other contributions				
Operating and project funding	..	33,230
Resources received below fair value	436	1,196	436	1,153
Other	..	10,953
	<u>436</u>	<u>45,379</u>	<u>436</u>	<u>1,153</u>
7. Other revenue				
Interest revenue	1,654	6,984	343	536
Other	333	3,702	333	393
	<u>1,987</u>	<u>10,686</u>	<u>676</u>	<u>929</u>
Interest is recognised in the income statement when earned.				
8. Lease Income				
Lease income - QAHCPPL	52
Lease income - QAHMPL	22
	<u>74</u>	<u>..</u>	<u>..</u>	<u>..</u>
Lease income represents deferred revenue recognised on land leased to Queensland Airport Holdings (Cairns) Pty Ltd (QAHCPPL) and Queensland Airport Holdings (Mackay) Pty Ltd (QAHMPL)				
9. Gain on acquisition/sale of property, plant, equipment and investments				
Gain on sale of property, plant and equipment	32	36	32	34
Gain on acquisition of shares *	194
Gain on sale of investment - SEQWCo **	..	39,118
	<u>226</u>	<u>39,154</u>	<u>32</u>	<u>34</u>

* Relates to the fair value of net assets acquired on acquisition of QAHCPPL and QAHMPL

** Relates to the transfer of shares in South East Queensland Water Corporation Ltd (SEQWCo).

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
10. Employee expenses				
<i>Employee benefits</i>				
Salaries and wages	96,734	146,903	96,734	92,844
Employer superannuation contributions	13,041	18,490	13,041	11,986
Long service leave levy	1,885	2,634	1,885	1,781
Parental leave expense	889	10,635	889	8,875
Annual leave levy	11,776	..	11,776	..
Other employee benefits	749	756	749	702
<i>Employee related expenses *</i>				
Worker's compensation premium	305	606	305	366
Payroll tax	5,983	8,196	5,983	5,513
Other employee related expenses	1,124	2,947	1,124	1,445
	<u>132,486</u>	<u>191,167</u>	<u>132,486</u>	<u>123,512</u>

* Employment expenses not included in employees total remuneration package

The number of employees including full-time employees
and part-time employees measured on a full-time
equivalent basis is:

1,393	2,103	1,393	1,703
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Executive remuneration

The number of senior executives who received or were due to receive total
remuneration of \$100,000 or more:

	Number	Number	Number	Number
\$120,000 to \$139,999	2	2	2	2
\$140,000 to \$159,999	5	4	5	4
\$160,000 to \$179,999	8	10	8	10
\$180,000 to \$199,999	6	5	6	5
\$200,000 to \$219,999	6	7	6	6
\$220,000 to \$239,000	1	2	1	1
\$240,000 to \$259,000	1	..	1	..
\$260,000 to \$279,000	1	..	1	..
\$280,000 to \$299,000	..	1	..	1
\$540,000 to \$559,999	1	1	1	1
	<u>31</u>	<u>32</u>	<u>31</u>	<u>30</u>

The total remuneration of executives shown above**
(\$'000)

\$6,077	\$6,322	\$6,077	\$5,893
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** The amount calculated as executive remuneration in this note includes the direct remuneration received, as well as items not directly received by senior executives such as the movement in leave accruals and fringe benefits tax paid on motor vehicles. This amount will therefore differ from advertised executive remuneration packages which do not include the latter items.

The total executive remuneration does not include any amounts in respect of redundancy/termination benefit payments made to executives during the year, which are as follows (\$'000):

..	\$204
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Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury	Treasury
	2009	2008	Department	Department
	\$'000	\$'000	\$'000	\$'000
11. Supplies and services				
Consultants and contractors	23,789	62,962	23,789	36,463
Supplies and consumables	4,335	5,299	4,335	4,259
Repairs and maintenance	4,632	16,470	4,632	5,029
Travel	1,185	1,482	1,185	1,307
Accommodation	13,382	19,965	13,382	13,654
Computer charges	437	23,451	437	424
Other	10,817	20,109	10,817	19,122
	<u>58,577</u>	<u>149,738</u>	<u>58,577</u>	<u>80,258</u>
12. Depreciation and amortisation				
Depreciation and amortisation incurred in respect of:				
Buildings and structures	76	55	76	55
Leasehold improvements	1,522	1,800	1,522	1,553
Plant and equipment	3,028	4,387	3,028	2,703
Intangibles	7,671	24,547	7,671	4,876
	<u>12,297</u>	<u>30,789</u>	<u>12,297</u>	<u>9,187</u>
13. Grants and subsidies				
<i>Recurrent</i>				
State:				
– Government bodies	2,771	3,744	2,771	3,744
Other	2,532	2,720	2,532	2,720
	<u>5,303</u>	<u>6,464</u>	<u>5,303</u>	<u>6,464</u>
14. Software licences				
CorpTech	..	5,895
Other	519	400	519	400
	<u>519</u>	<u>6,295</u>	<u>519</u>	<u>400</u>
15. Borrowing costs				
Interest	<u>141</u>	<u>41</u>	<u>141</u>	<u>41</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury Department	Treasury Department
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
16. Other expenses				
Audit fees – Auditor-General *	873	1,352	865	735
Audit fees – internal	740	470	740	638
Bad debts written off	7	175	7	171
Impairment losses on trade receivables	(23)	31	(23)	31
Special and ex-gratia payments	651	320	651	320
Operating lease rentals	670	1,146	670	830
Minor assets < \$5,000	1,289	1,388	1,289	932
Other	4,385	2,477	4,315	1,699
	<u>8,592</u>	<u>7,359</u>	<u>8,514</u>	<u>5,356</u>
* Total consolidated external audit fees relating to the 2008-09 financial year are estimated to be \$819,508 (2007-08: \$1,384,500) which includes Treasury Department of \$819,500 (2007-08: \$657,000). There are no non-audit services included in this amount.				
17. Income tax expense				
Current tax	35	793
	<u>35</u>	<u>793</u>	<u>..</u>	<u>..</u>
Numerical reconciliation of income tax expense to prima facie tax payable:				
Profit from continuing operations before income tax expense:	1,270	45,396
Less: Profit of non taxable entities	(1,153)	(42,752)
Profit from continuing operations before income tax expense: Taxable entity (Qld Lottery Corporation)	117	2,644
Tax at the Australian tax rate of 30%	35	793
Income tax expense	<u>35</u>	<u>793</u>	<u>..</u>	<u>..</u>
18. Cash and cash equivalents				
Cash at bank	53,068	125,723	28,519	20,363
Imprest accounts	11	13	11	13
	<u>53,079</u>	<u>125,736</u>	<u>28,530</u>	<u>20,376</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury Department	Treasury Department
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
19. Receivables				
<i>Current</i>				
Trade debtors	3,570	32,870	3,570	6,481
Less provision for impairment	(8)	(31)	(8)	(31)
	<u>3,562</u>	<u>32,839</u>	<u>3,562</u>	<u>6,450</u>
GST input tax credits receivable	694	1,829	694	771
GST payable	(583)	(1,099)	(583)	(300)
Net GST receivable	<u>111</u>	<u>730</u>	<u>111</u>	<u>471</u>
Appropriation receivable	500	2,003	500	2,003
Annual leave reimbursement	9,512	..	9,512	..
Other debtors	2,972	2,615	2,972	2,614
	<u>12,984</u>	<u>4,618</u>	<u>12,984</u>	<u>4,617</u>
	<u>16,657</u>	<u>38,187</u>	<u>16,657</u>	<u>11,538</u>
Movements in the provision for impairment				
Balance at 1 July	31	258	31	..
Transfers (to)/from other departments	..	(258)
Increase/(decrease) recognised in income statement	(23)	31	(23)	31
Balance at 30 June	<u>8</u>	<u>31</u>	<u>8</u>	<u>31</u>
20. Other assets				
<i>Current</i>				
Prepayments	2,978	4,594	2,978	1,427
Assets held for sale	9	26	9	24
Other accrued revenue	..	212	..	212
	<u>2,987</u>	<u>4,832</u>	<u>2,987</u>	<u>1,663</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury Department	Treasury Department
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
21. Intangibles				
<i>Non-current</i>				
Internally generated software/licences:				
– at cost	43,164	159,438	43,164	44,385
– accumulated amortisation	(16,570)	(32,256)	(16,570)	(11,175)
– accumulated impairment loss	(3,380)	(3,380)	(3,380)	(3,380)
	<u>23,214</u>	<u>123,802</u>	<u>23,214</u>	<u>29,830</u>
Other software/licences:				
– at cost	11,302	186,142	11,302	11,333
– accumulated amortisation	(11,085)	(177,466)	(11,085)	(11,092)
	<u>217</u>	<u>8,676</u>	<u>217</u>	<u>241</u>
Work in progress:				
– at cost *	21,097	43,172	21,097	2,327
	<u>21,097</u>	<u>43,172</u>	<u>21,097</u>	<u>2,327</u>
Total intangibles:				
– net book value	<u>44,528</u>	<u>175,650</u>	<u>44,528</u>	<u>32,398</u>

* Refer to note 64 for explanation of changes in comparatives

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

21. Intangibles (continued)

Reconciliation	Internally Generated Software		Other Software/ Licences		Software Works in Progress		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Carrying amount at 1 July	123,802	107,183	8,677	13,787	43,171	43,144	175,650	164,114
Acquisitions	931	..	163	83	21,127	53,573	22,221	53,656
Disposals	..	(2,356)	(696)	..	(3,052)
Acquisitions through restructuring	(2,272)	(86)	(147)	(555)	(2,419)	(641)
Consolidated assets transferred (to)/from other departments	(93,972)	..	(8,436)	..	(40,845)	..	(143,253)	..
Assets transferred between asset classes	2,209	38,415	(2,209)	(38,407)	..	8
Amortisation	(7,484)	(19,354)	(187)	(5,193)	(7,671)	(24,547)
Re-statement of intangibles (note 64)	(13,888)	..	(13,888)
Impairment losses recognised in operating surplus/(deficit)
Carrying amount at 30 June	23,214	123,802	217	8,677	21,097	43,171	44,528	175,650

The department still uses intangibles with a written down value of zero that had an original cost of \$9.081 million.

All intangible assets of the department have finite useful lives and are amortised on a straight line basis (Note 2(p)). The department has no significant unrecognised intangibles.

No intangible assets have been classified as held for sale or form part of a disposable as held for sale.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury Department	Treasury Department
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
22. Property, plant and equipment				
<i>Non-current</i>				
Land				
– at valuation*	54,664	4,400	..	4,400
	54,664	4,400	..	4,400
Buildings				
– at valuation	..	5,684	..	5,684
– accumulated depreciation	..	(2,509)	..	(2,509)
	..	3,175	..	3,175
Plant and equipment:				
– at cost	17,215	28,509	17,215	21,877
– accumulated depreciation	(13,192)	(20,821)	(13,192)	(14,983)
	4,023	7,688	4,023	6,894
Leasehold improvements:				
– at cost	16,981	20,210	16,981	18,549
– accumulated depreciation	(8,127)	(8,893)	(8,127)	(7,992)
	8,854	11,317	8,854	10,557
Capital works in progress				
– at cost	135	39	135	39
Total property, plant and equipment:				
– net book value	67,676	26,619	13,012	25,065

* Land recognised by Queensland Treasury Holdings Pty Ltd (QTH) was initially measured at cost of acquisition which was based on fair value which closely approximates market value due to the limited period between transfer and reporting date.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

22. Property, plant and equipment (continued)

	Land		Buildings		Plant and Equipment		Leasehold Improvements		Capital Works in Progress		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Reconciliation	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	4,400	..	3,175	..	7,688	15,345	11,317	17,884	39	974	26,619	34,203
Acquisitions	54,664	3,938	4,306	111	187	119	47	58,832	4,540
Acquisitions through restructuring	..	4,400	..	2,810	..	729	..	603	8,542
Disposals	(46)	(4,018)	(207)	(545)	..	(24)	(253)	(4,587)
Assets transferred (to)/from other departments	(4,400)	..	(3,099)	..	(3,727)	(4,277)	(108)	(5,259)	..	(267)	(11,334)	(9,803)
Consolidated assets transferred to/(from) other departments	(793)	..	(759)	(1,552)	..
Assets transferred between Asset Classes	419	(9)	(7)	22	246	(23)	(691)	(10)	(33)
Depreciation	(77)	(54)	(3,028)	(4,390)	(1,522)	(1,799)	(4,627)	(6,243)
Carrying amount at 30 June	54,664	4,400	..	3,175	4,023	7,688	8,854	11,317	135	39	67,675	26,619

Treasury Department still uses plant and equipment with a written down value of zero that had an original cost of \$9.404 million.

Treasury Department has no temporarily idle plant and equipment and no plant and equipment recorded at cost with materially different fair values.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury	Treasury
	2009	2008	Department	Department
	\$'000	\$'000	2009	2008
			\$'000	\$'000
23. Payables				
<i>Current</i>				
Trade creditors	8,181	16,740	8,169	2,685
Annual leave entitlements*	..	12,375	..	9,330
Interdepartmental payable	11,824	..	11,824	..
Other	2,691	15,980	2,691	5,736
	<u>22,696</u>	<u>45,095</u>	<u>22,684</u>	<u>17,751</u>
* Refer to note 2(x) for details of the Annual Leave Central Scheme				
24. Accrued employee benefits				
<i>Current</i>				
Accrued salaries and wages	2,981	3,982	2,981	3,230
Annual leave levy payable	10,212	..	10,212	..
Other accrued employee benefits	58	73	58	67
	<u>13,251</u>	<u>4,055</u>	<u>13,251</u>	<u>3,297</u>
25. Interest-bearing liabilities				
<i>Current</i>				
QTC borrowings	..	365	..	365
	<u>..</u>	<u>365</u>	<u>..</u>	<u>365</u>
<i>Non-current</i>				
QTC borrowings	..	1,997	..	1,997
	<u>..</u>	<u>1,997</u>	<u>..</u>	<u>1,997</u>
26. Other liabilities				
<i>Current</i>				
Unearned revenue	739	42,820	187	641
	<u>739</u>	<u>42,820</u>	<u>187</u>	<u>641</u>
<i>Non-current</i>				
Unearned revenue	53,844
Sundry liabilities	..	65	..	65
	<u>53,844</u>	<u>65</u>	<u>..</u>	<u>65</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

27. Corporate support allocation across Treasury Department

The following table provides details of the corporate support revenue and expenses provided to individual outputs which have been allocated on a 'gross allocation' basis (that is, before inter-output/departamental trading). The department allocates corporate service overheads to its controlled outputs based on the average usage patterns of the output's key drivers of costs.

	Financial and economic policy		Economic and statistical research		Taxation		Liquor gaming and racing**		GOC performance and governance		General – not attributed		Total corporate support	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income														
Revenue														
Output revenue	5,752	5,497	2,326	2,537	10,348	10,542	6,162	3,250	709	1,000	1,589	1,634	26,886	24,460
User charges	2,330	1,843	935	849	4,214	3,527	1,998	8,311	290	336	471	365	10,238	15,231
Grants and other contributions
Other	206	188	69	78	405	373	132	315	28	33	42	38	882	1,025
Gains														
Gain on sale of property, plant and equipment	..	4	..	2	..	8	..	7	..	1	..	1	..	23
Total income	8,288	7,532	3,330	3,466	14,967	14,450	8,292	11,883	1,027	1,370	2,102	2,038	38,006	40,739
Expenses														
Employee expenses	3,845	2,895	1,445	1,238	7,199	5,692	4,148	4,775	496	523	773	579	17,906	15,702
Supplies and services	2,989	3,503	1,201	1,602	5,403	6,718	3,128	5,548	372	638	594	693	13,687	18,702
Depreciation and amortisation	685	653	274	297	1,243	1,258	701	1,040	86	119	136	129	3,125	3,496
Other	504	314	172	125	979	659	449	537	65	55	479	452	2,648	2,142
Total expenses	8,023	7,365	3,092	3,262	14,824	14,327	8,426	11,900	1,019	1,335	1,982	1,853	37,366	40,042

** On 26 March 2009 the operations and net assets of the Liquor Gaming and Racing output transferred to the newly formed Department of Employment, Economic Development and Innovation. Corporate Support allocation for this output represents 9 months of operations only.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury Department	Treasury Department
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
28. Reconciliation of operating surplus to net cash from operating activities				
Operating surplus/(deficit)	1,377	43,763	142	768
Add/(less) items classified as investing/financing activities:				
Proceeds on disposal of property, plant and equipment	5	(33)	5	(33)
Assets written back	(28)	24	(28)	24
Gain on acquisition of shares	(194)
Proceeds from sale of investments	(185)
Borrowing costs	..	40	..	40
Non-cash items:				
Depreciation/amortisation expense	13,174	31,421	13,174	9,820
Gain on sale of property, plant, equipment and investments	..	(39,111)
Loss on sale of property, plant and equipment	115	158	115	92
Bad debts written off	..	4
Goods and services received below fair value	..	(1)
Reclassification of non-current asset	..	(2)
Change in assets and liabilities:				
(Increase)/decrease in appropriation receivable	1,503	(2,003)	1,503	(2,003)
(Increase)/decrease in GST input tax credits receivable	11	(666)	11	120
(Increase)/decrease in interest receivable	10	(8)	10	(3)
(Increase)/decrease in accounts receivable	(9,869)	(21,065)	(10,055)	5,374
(Increase)/decrease in other assets	427	(563)	427	(16)
(Increase)/decrease in prepayments	(1,720)	544	(1,720)	711
Increase/(decrease) in accounts payable	15,511	(14,846)	15,513	(1,011)
Increase/(decrease) in employee benefits	13,140	(25,243)	13,140	(19,711)
Increase/(decrease) in GST payable	283	1,896	283	76
Increase/(decrease) in other liabilities	(1,244)	34,710	(454)	(394)
Increase/(decrease) in deferred revenue	(74)
Increase/(decrease) in accrued expenses	(10,522)	(20,676)	(10,522)	18,064
Equity accounted share of surplus in associates	231	94
Net cash from operating activities	21,951	(11,562)	21,544	11,918

29. Non-cash financing and investing activities

Assets received by the department at below fair value are recognised as revenues and set out in Note 6.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Consolidated	Consolidated	Treasury Department	Treasury Department
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000

30. Commitments for expenditure

(a) Non-cancellable operating lease commitments

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	12,055	19,222	11,889	14,177
Later than one year and not later than five years	11,810	28,254	11,148	14,691
Later than five years	6,884	6,732
Total commitments	30,749	54,208	23,037	28,868
Input tax credits anticipated	2,094	4,928	2,094	2,624

Operating leases are entered into as a means of acquiring access to office accommodation and motor vehicles. These operating leases are primarily held with the Department of Public Works for office accommodation and QFleet for motor vehicles. Payments are generally fixed with agreements containing inflation escalation clauses from which contingent rentals are determined. No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

(b) Capital expenditure commitments

Material capital expenditure commitments inclusive of GST contracted for but not recognised in the financial statements are payable as follows:

Not later than one year	..	10,135	..	30
Later than one year and not later than five years
Later than five years
Total commitments	..	10,135	..	30
Input tax credits anticipated	..	922	..	3

Expected capital commitments relate to project activity.

(c) Operating expenditure commitments

Material operating expenditure commitments inclusive of GST contracted for but not recognised in the financial statements are payable as follows:

Not later than one year *	15,413	85,436	15,413	37,305
Later than one year and not later than five years *	383	8,959	383	734
Later than five years	2,744	3,236	2,744	3,103
Total commitments	18,540	97,631	18,540	41,142
Input tax credits anticipated	1,685	8,875	1,685	3,740

* Comparative figures for 2007-08 have changed due to a misallocation of commitments between the "Not later than one year" and "Later than one year and not later than five year" categories. This did not affect the total operating expenditure commitments published in the 2007-08 financial statements.

Treasury Department and controlled entity

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

31. Contingencies

Litigation in progress

As at 30 June 2009 the following cases were filed in the courts:

	Cases
Supreme Court	18
Land Court	2
Magistrates Court	2
Total	<u>22</u>

These cases relate to revenue collected by the Office of State Revenue. The department's legal advisers and management believe there is insufficient information available to determine the outcome of the above-mentioned cases. Accordingly, no provision has been taken up in the department's financial statements.

An estimate of the liability should the outcomes of the abovementioned cases prove unfavourable for the department is \$21.565M. This liability would be payable from Administered Funds.

In addition to the above, as at 30 June 2009, the Office of State Revenue was considering 142 objections relating to duties, stamp duty, payroll tax, land tax, Community Ambulance Cover and the First Home Owner Grant scheme.

Other proceedings brought before the Supreme Court are subject to appeal. An estimate of the liability should the outcome prove unfavourable for the department is \$0.315M.

32. Controlled entity

Queensland Treasury Holdings Pty Ltd (QTH) is controlled by the department and its revenues, expenses, assets, liabilities and equity have been included within these financial statements. The Under Treasurer, as Trustee for the Treasurer of Queensland, holds a 60% beneficial interest in QTH, which comprises ownership of "A" class capital. The remaining 40% interest is held by the Queensland Treasury Corporation (QTC) for and on behalf of the Under Treasurer as the corporation sole of QTC. QTH acts as a corporate vehicle through which the Queensland Government invests in assets of strategic importance to the State. QTH is audited by the Auditor-General of Queensland.

33. Investments in jointly controlled entities

QTH holds an investment in Dalrymple Bay Coal Terminal (DBCT) Holdings Pty Ltd which comprises ownership of ordinary share capital. The balance date of the jointly controlled entity is 30 June. Details of this investment are set out below:

Name of company	Principal activity	Ownership interest		Carrying amount		Dividend received/receivable	
		2009	2008	2009 \$'000	2008* \$'000	2009 \$'000	2008 \$'000
Unlisted							
DBCT Holdings Pty Ltd	Coal Terminal	50%	50%	2,237	2,468

Summary of financial information of jointly controlled entity:

	Consolidated	
	2009 \$'000	2008* \$'000
Assets	268,935	304,670
Liabilities	264,461	299,735
Operating surplus/(deficit)	<u>(461)</u>	<u>(189)</u>

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

33. Investments in jointly controlled entities (continued)

* Comparatives have been adjusted in relation to the timing of distributions recognised in DBCT.

Share of the jointly controlled entities result and retained surplus for the period ended 30 June 2009, including movements in the carrying amount of the investments, consists of:

	Consolidated	
	2009	2008
	\$'000	\$'000
Accumulated surplus/(deficit) attributed to jointly controlled entities		
Share of surplus before income tax expense/revenue	(231)	(94)
Share of surplus after related income tax expense/revenue	(231)	(94)
Accumulated surplus/(deficit) attributable to jointly controlled entities at the beginning of the financial year	2,468	2,562
Dividends declared
Share of surplus after related income tax expense/revenue	(231)	(94)
Accumulated surplus/(deficit) attributable to jointly controlled entities at the end of the financial year	2,237	2,468

34. Investments in entities which are not controlled entities or associated companies

Set out below are investments held which are not controlled entities or associated companies:

Name of entity	Principal activities	Percentage ownership		Carrying amount	
		2009	2008	2009	2008
		%	%	\$'000	\$'000
City North Infrastructure Pty Ltd	Manages the procurement of the Airport Link and part of the Northern Busway	33%	25%

QTH holds an interest in Queensland Motorways Limited (2 of a total of 177,466 ordinary shares); (2008: 2 of a total of 147,960 ordinary shares). QTH held interests in Queensland Bulk Ports from its inception on 7 May 2009 until 4 June 2009 when its shares were transferred to the shareholding Ministers.

35. Events occurring after balance date

There are no known events occurring after the reporting date which will materially affect the financial outcome for the 2008-09 financial year.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

36. Financial instruments

(a) Categorisation of financial instruments

Treasury Department has the following categories of financial assets and financial liabilities:

Category	Note	2009 \$'000	2008 \$'000
Financial assets			
Cash and cash equivalents	18	53,079	125,736
Receivables	19	16,657	38,187
Other accrued revenue	20	..	212
Total		69,736	164,135
Financial liabilities			
Payables	23	22,696	45,095
QTC borrowings	25	..	2,362
Sundry liabilities	26	..	65
Total		22,696	47,522

(b) Credit risk exposure

Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for impairment as indicated in the notes to the Balance Sheet.

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum exposure to credit risk Category	Note	2009 \$'000	2008 \$'000
Financial assets			
Cash and cash equivalents	18	53,079	125,736
Receivables	19	16,657	38,187
Other accrued revenue	20	..	212
Total		69,736	164,135

To reduce exposure to credit default the department manages credit risk by ensuring it invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on a regular basis.

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

No financial assets and financial liabilities have been offset and presented net in the Balance Sheet.

The method for calculating any provisional impairment is based on past experience, current and expected changes in economic conditions and changes to clients' financial positions.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

36. Financial instruments (continued)

(b) Credit risk exposure (continued)

The recognised impairment loss is (\$23,000) for the current year (2007-08 \$31,000).

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2009 financial assets past due but not impaired

	Contractual repricing/maturity date:						Total financial assets \$'000
	Not overdue \$'000	Less than 30 days \$'000	30-60 days \$'000	Overdue 61-90 days \$'000	More than 90 days \$'000	Total overdue \$'000	
Financial assets							
Receivables	15,280	646	142	325	264	1,377	16,657
Total	15,280	646	142	325	264	1,377	16,657

2008 financial assets past due but not impaired

	Contractual repricing/maturity date:						Total financial assets \$'000
	Not overdue \$'000	Less than 30 days \$'000	30-60 days \$'000	Overdue 61-90 days \$'000	More than 90 days \$'000	Total overdue \$'000	
Financial assets							
Receivables	33,525	2,530	705	315	1,112	4,662	38,187
Total	33,525	2,530	705	315	1,112	4,662	38,187

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

36. Financial Instruments (continued)

(b) Credit risk exposure (continued)

2009 impaired financial assets

	Contractual repricing/maturity date:						Total financial assets \$'000
	Not overdue \$'000	Less than 30 days \$'000	30-60 days \$'000	61-90 days \$'000	More than 90 days \$'000	Total overdue \$'000	
Financial assets							
Receivables	8	8	8
Total	8	8	8

2008 impaired financial assets

	Contractual repricing/maturity date:						Total financial assets \$'000
	Not overdue \$'000	Less than 30 days \$'000	30-60 days \$'000	61-90 days \$'000	More than 90 days \$'000	Total overdue \$'000	
Financial assets							
Receivables	31	31	31
Total	31	31	31

(c) Liquidity risk

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities.

Queensland Treasury manages liquidity risk by ensuring that the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal amounts in future years.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

36. Financial instruments (continued)

	Note	2009 payable in			Total
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	\$'000
Financial liabilities					
Payables	23	22,696	22,696
Total		<u>22,696</u>	<u>..</u>	<u>..</u>	<u>22,696</u>

	Note	2008 payable in			Total
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	\$'000
Financial liabilities					
Payables	23	45,094	45,094
Sundry liabilities	26	65	65
QTC borrowings	25	519	1,978	387	2,884
Total		<u>45,613</u>	<u>1,978</u>	<u>452</u>	<u>48,043</u>

(d) Market risk

Queensland Treasury does not trade in foreign currency and is not exposed to commodity price changes. The department is exposed to interest rate risk through its cash deposited in interest bearing accounts. Queensland Treasury does not undertake any hedging in relation to interest risk.

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on depicting the outcome to the surplus if interest rates were to change by +/- 1% from the year end rates applicable to Queensland Treasury's financial assets and liabilities. Queensland Treasury would have a surplus/deficit and equity increase/decrease of \$0.531M (2008:\$1.257M) which is attributable to the department's exposure to variable interest rates on its cash balances.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

36. Financial Instruments (continued)

(d) Market risk (continued)

Interest rate sensitivity analysis

Financial instruments	Carrying amount \$'000	2009 Interest rate risk			
		-1%		1%	
		Surplus	Equity	Surplus	Equity
		\$'000	\$'000	\$'000	\$'000
Cash	53,079	(531)	(531)	531	531
Overall effect on surplus and equity		(531)	(531)	531	531

Financial instruments	Carrying amount \$'000	2008 Interest rate risk			
		-1%		1%	
		Surplus	Equity	Surplus	Equity
		\$'000	\$'000	\$'000	\$'000
Cash	125,736	(1,257)	(1,257)	1,257	1,257
Overall effect on surplus and equity		(1,257)	(1,257)	1,257	1,257

Fair value

The fair value of financial assets and liabilities must be estimated for recognition and measurement and for note disclosure purposes.

The fair value of trade receivables and payables are assumed to approximate their nominal value less estimated credit adjustments.

The carrying amounts of all financial assets and liabilities, except those disclosed below are representative of their fair value. The fair value of QTC borrowings is determined by reference to published price quotations in an active market and reflects the value of the debt if the Department repaid it in full at balance date. It is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

	2009		2008	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial liabilities				
QTC borrowings	2,362	2,339
Total	2,362	2,339

Treasury Department

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

Treasury Department	Treasury Department
2009	2008
\$'000	\$'000

37. Commonwealth grants

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
GST revenue grant	7,946,067	8,549,250
Australian Securities Commission	..	28,445
Compensation for pension concessions	22,252	35,767
<i>Specific Purpose - recurrent</i>		
- First Home Owner Grant	34,720	..
- Healthcare	97,895	..
- Schools	233,603	..
- Skills and workforce development	102,287	..
- Disability services	65,710	..
- Affordable housing	94,291	..
National Partnership Payments - recurrent project	882,336	..
National Partnership Payments - recurrent facilitation	26,805	..
National Partnership Payments - capital project	527,000	..
National Partnership Payments - capital facilitation	408,566	..
Payments for on-passing (capital)	104,565	..
	<u>10,546,097</u>	<u>8,613,462</u>

Treasury Department
Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
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38. Taxes, fees, fines and levies

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
<i>Taxes</i>		
Casino tax	57,807	50,667
Gaming machine tax	548,039	533,598
Gold Lotto	167,754	162,608
Golden Casket	43,671	42,817
Keno tax	18,640	17,638
Land tax	839,371	611,819
Payroll tax	3,237,357	2,958,448
Stamp duty	2,738,605	4,000,415
Wagering tax	39,714	36,670
Other taxes	912	872
	7,691,870	8,415,552
<i>Fees</i>		
Licences	16,116	7,293
Other fees	18,808	28,226
	34,924	35,519
<i>Fines</i>		
Penalties	9,772	26,406
	9,772	26,406
<i>Levies</i>		
Community benefit levies	4,336	5,607
Community Ambulance Cover Levy	139,930	129,637
Health Services Levy	39,714	38,245
	183,980	173,489
	7,920,546	8,650,966

39. Royalties, property income and other territorial revenue

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Competitive neutrality fees	131,178	86,832
Credit margin	2,104	1,530
Dividends	46	270
Rent	3,185	2,543
Land tax equivalent receipts	480	2,325
	136,993	93,500

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
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40. Interest revenue

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Interest from investments	4,846	4,439
Interest from loans	1,663	1,631
Interest charged on departmental bank overdrafts	49	32
Interest on late payments	461	2
	<u>7,019</u>	<u>6,104</u>

41. Administered item revenue

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Budgeted administered item appropriation	1,856,691	3,164,823
Transfer (to)/from other departments	..	(1,648)
Transfer (to)/from other heading	26,003	..
Unforeseen expenditure	1,755,256	1,199,533
Total administered item receipts	<u>3,637,950</u>	<u>4,362,708</u>
Plus closing balance of administered item receivable	270,976	2,182
Less opening balance of administered item receivable	(2,182)	(30,475)
Plus appropriation adjustment recorded as cash in Consolidated Fund 2006-07	..	3,749
Less opening balance of equity injection receivable	..	(302,195)
Less closing balance of equity withdrawal payable	..	(23,336)
Plus opening balance of equity withdrawal payable	23,336	6
Less equity withdrawal payable adjusted 2006-07	..	(6)
Plus opening balance of unearned appropriation	3,372	..
Less closing balance of unearned appropriation	..	(3,372)
Total administered appropriation	<u>3,933,452</u>	<u>4,009,261</u>
This is represented by:		
Administered item revenue recognised in Income Statement	4,332,238	3,253,989
Equity adjustment recognised in contributed equity	(398,786)	755,272
	<u>3,933,452</u>	<u>4,009,261</u>

Treasury Department
Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
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42. Other revenue
ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT

Miscellaneous receipts	11,875	7,011
	<u>11,875</u>	<u>7,011</u>

43. Employee expenses
ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT

Salaries and wages	163	184
Superannuation related to above salaries and wages	23	26
Superannuation	5,996	6,227
FBT expense	32,016	29,793
FBT recovery	(32,121)	(29,132)
Other	29	43
	<u>6,106</u>	<u>7,141</u>

44. Supplies and services
ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT

GST administration expense remitted to the Commonwealth	126,714	119,880
Management fees	16,560	33,070
Administration fees	30,031	30,723
Other*	2,983	38
	<u>176,288</u>	<u>183,711</u>

* 2008-09 includes valuation fees to enable land tax assessment. Previously treated as a controlled expense.

45. Grants and subsidies
ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT
Recurrent

Government bodies	47,940	34,622
Fuel Subsidy Scheme	555,864	551,472
Other *	65,290	133,003

Capital

Payments for on-passing (capital)	63,469	..
Other	27,070	18,361
	<u>759,633</u>	<u>737,458</u>

* Other recurrent includes Gambling Community Benefit Fund Grants

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Treasury Department	Treasury Department
2009	2008
\$'000	\$'000

46. Benefit payments

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
First Home Owner Grants	434,844	200,695
	<u>434,844</u>	<u>200,695</u>

47. Interest expense

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Interest paid by Treasury Investment Suspense Account on trust and bank balances	18,166	22,578
	<u>18,166</u>	<u>22,578</u>

48. Borrowing costs

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Interest on loans – QTC	396,017	172,952
Market Value Realisation charge on repayment of 15 Year Debt Pool - TCB Gold Coast Desalination Plant A/c	15,614	..
Interest on loans – Commonwealth Government	2,695	2,195
	<u>414,326</u>	<u>175,147</u>

49. Other expenses

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Bad and impaired debts	48,168	13,936
Queensland Government Insurance Fund claims and concessions	107,628	77,281
Stamp duty on sale of airport assets	42,366	..
Other	13,047	9,827
	<u>211,209</u>	<u>101,044</u>

Treasury Department**Notes to and forming part of the Financial Statements**

for the year ended 30 June 2009

Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
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50. Operating surplus/(deficit)

The operating surplus/(deficit) resulting from administered transactions represents the movement in the Community Investment Funds.

51. Cash

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Cash at bank	408,766	3,813,099
Represented by:		
Treasurers Investment Suspense Account	(193,060)	3,980,251
QTC Working Capital Facility (11am) Account	145,429	(306,671)
	(47,631)	3,673,580
Other administered bank accounts	456,397	139,519
	408,766	3,813,099

Overdraft facilities are stated at cost plus capitalised interest. Under section 41 of the *Financial Administration and Audit Act 1977* an administered overdraft facility known as the Treasury Investment Suspense Financial Institution Account is held with the Commonwealth Bank of Australia. This overdraft facility is part of an offset arrangement with other departmental bank accounts and is taken into account in determining the interest earned on the whole-of-Government position. Cash at bank is an aggregate of all Treasury administered bank accounts including the Treasurer's Investment Suspense Account.

The Treasury Investment Suspense Account is carried at book value.

Queensland Treasury Corporation (QTC) Working Capital Facility is used for short term borrowings. The market value of the borrowings in the QTC Working Capital Facility at 30 June 2009 is represented by its book value, which is also its net realisable value (as notified by QTC). Interest is calculated daily based on the Reserve Bank's official cash rate. At 30 June 2009 the rate was 3.00% (2008: 7.25%).

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
--	--

52. Receivables

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
<i>Current</i>		
Trade debtors	174,995	166,749
provision for impairment	(57,692)	(25,645)
	<u>117,303</u>	<u>141,104</u>
Loans and advances *	17,245	15,566
	<u>17,245</u>	<u>15,566</u>
Administered item receivable	270,976	..
Other receivables	108,903	158,327
	<u>379,879</u>	<u>158,327</u>
	<u>514,427</u>	<u>314,997</u>
<i>Non-current</i>		
Loans and advances *	151,736	163,226
	<u>151,736</u>	<u>163,226</u>
Other debtors	2,867	3,071
	<u>2,867</u>	<u>3,071</u>
	<u>154,603</u>	<u>166,297</u>
Movements in the provision for impairment		
Balance at 1 July	25,645	17,373
Amounts written off during the year	(16,407)	..
Amounts recovered during the year	282	240
Increase/decrease recognised in income statement	48,173	8,032
Balance at 30 June	<u>57,693</u>	<u>25,645</u>

*Natural Disaster Relief Arrangements (NDRA post box) loans are carried at amortised cost. Interest is recognised as revenue as it accrues. Repayments are received yearly in arrears. The Minister for Local Government, Territories and Roads determines the annual interest rate to be applied to the loans. In the 2008-09 year the interest rate was 3.21% (2008:3.03%) which was calculated as 50% of the 10-year Treasury bond rate, averaged over the three-month period between April and June 2008.

Inter-fund loans include both interest-bearing and non-interest bearing loans. These receivables are repayable yearly in arrears. Interest is charged at a fixed rate of 0.50%.

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Treasury Department	Treasury Department
2009	2008
\$'000	\$'000

53. Other current assets

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
<i>Current</i>		
Prepayments	..	37,456
Transfers to Government - Prepayments	..	98,783
Other accrued revenue	35,676	22,829
	<u>35,676</u>	<u>159,068</u>

54. Payables

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
<i>Current</i>		
Trade creditors	3,644	35,478
Annual leave entitlements*	..	8
Other creditors	377,202	77,395
GST input tax credits receivable	(231)	(1,117)
GST payable	8,933	7,149
Net GST payable	<u>8,702</u>	<u>6,032</u>
	<u>389,548</u>	<u>118,913</u>
* Refer to note 2(x) for details of the Annual Leave Central Scheme		

55. Accrued employee benefits

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
<i>Current</i>		
Accrued salary & wages	..	4
Annual leave
	<u>..</u>	<u>4</u>
<i>Non-current</i>		
Annual leave
	<u>..</u>	<u>..</u>

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
--	--

56. Interest-bearing liabilities

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
<i>Current</i>		
Commonwealth borrowings #	10,063	8,590
QTC Borrowings *	..	208,743
	<u>10,063</u>	<u>217,333</u>
<i>Non-current</i>		
Commonwealth borrowings #	56,736	63,622
QTC Borrowings *	7,617,442	3,648,977
	<u>7,674,178</u>	<u>3,712,599</u>

* QTC borrowings will be used to fund a range of infrastructure necessary to support the economic and social development of Queensland. Interest is charged on QTC Borrowings at rates of between 6.9% and 10.76% (2008: between 5.8% and 7.6%) and charged as an expense as it accrues.

Interest is charged on Commonwealth Backlog Sewerage and Natural Disaster Relief Arrangements (NDRA post box) loans at a predetermined rate and recognised as an expense as it accrues. The Minister for Local Government, Territories and Roads determines the annual interest rate to be applied to the loans. In the 2008-09 year the interest rate was 3.21% (2007:3.03%) which was calculated as 50% of the 10-year Treasury bond rate, averaged over the three-month period between April and June 2008.

Treasury department

Income statement

For the year ended 30 June 2009

Treasury Department	Treasury Department
2009	2008
\$'000	\$'000

57. Other liabilities

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
<i>Current</i>		
Unearned revenue	14,720	28,044
Unearned appropriation	..	3,373
Sundry liabilities	4,145	12,428
	<u>18,865</u>	<u>43,845</u>
<i>Non-current</i>		
Unearned revenue	..	94,006
Sundry liabilities	..	10
	<u>..</u>	<u>94,016</u>

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Treasury Department 2009 \$'000	Treasury Department 2008 \$'000
--	--

58. Reconciliation of operating surplus to net cash from operating activities

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Operating surplus/(deficit)	(23,761)	(16,431)
Add/(less) items classified as investing/financing activities:		
Interest revenue on loans	(356)	(162)
Commonwealth NDRA borrowing	37,566	9,985
Non-cash items:		
Interest Expense on QTC loans	333,501	..
Change in assets and liabilities:		
(Increase)/decrease in GST input tax credits receivable	(45)	2,243
(Increase)/decrease in trade and other receivables	(7,838)	(34,250)
(Increase)/decrease in other assets	8,943	(4,235)
(Increase)/decrease in prepayments	37,456	(2,725)
(Increase)/decrease in administered appropriation receivable	(283,090)	31,665
Increase/(decrease) in provisions	(3)	(11)
Increase/(decrease) in trade and other payables	259,443	12,826
Increase/(decrease) in GST payable	1,785	2,102
Increase/(decrease) in transfers to Government payable	(32,485)	45,150
Net cash from operating activities	331,116	46,157

59. Commitments for expenditure

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT		
Grant expenditure commitments		
Future grant commitments not provided for in the financial statements are payable as follows:		
Not later than one year	130,981	73,570
Later than one year and not later than five years	358,961	171,587
Later than five years	..	430,205
Total commitments	489,942	675,362
Input tax credits anticipated	50	532

Treasury Department**Notes to and forming part of the Financial Statements**

for the year ended 30 June 2009

60. Financial instruments**(a) Categorisation of financial instruments**

Treasury department has the following categories of financial assets and financial liabilities:

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT			
Category	Note	2009 \$'000	2008 \$'000
Financial assets			
Cash and cash equivalents	51	408,766	3,813,099
Receivables	52	669,030	481,294
Accrued taxes, fees and fines		250,906	273,154
Other accrued revenue	53	35,676	22,829
Total		1,364,378	4,590,376
Financial liabilities			
Payables	54	663,295	476,391
Commonwealth borrowings	56	66,799	72,212
QTC borrowings	56	7,617,442	3,857,720
Sundry liabilities	57	4,145	12,438
Total		8,351,681	4,418,761

(b) Credit risk exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for impairment as indicated in the notes to the Balance Sheet.

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances:

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT			
Maximum exposure to credit risk Category	Note	2009 \$'000	2008 \$'000
Financial assets			
Cash and cash equivalents	51	408,766	3,813,099
Receivables	52	669,030	481,294
Accrued taxes, fees and fines		250,906	273,154
Other accrued revenue	53	35,676	22,829
Total		1,364,378	4,590,376

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

To reduce exposure to credit default, the department manages credit risk by ensuring it monitors all funds owed on a timely basis. Exposure to credit risk is monitored on a regular basis.

Treasury Department

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

60. Financial instruments (continued)

(b) Credit risk exposure (continued)

The method for calculating any provisional impairment is based on past experience, current and expected changes in economic conditions and changes to clients' financial positions.

The recognised impairment loss is \$31.766M for the current year. This is an increase of \$23.734M from 2008.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

No financial assets and financial liabilities have been offset and presented net in the Balance Sheet.

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT

2009 Financial assets past due but not impaired

	Contractual repricing/maturity date:						Total financial assets \$'000
	Not overdue \$'000	Less than 30 days \$'000	30-60 days \$'000	Overdue		Total overdue \$'000	
				61-90 days \$'000	More than 90 days \$'000		
Financial assets							
Receivables	584,457	8,916	11,126	7,159	57,372	84,573	669,030
Total	584,457	8,916	11,126	7,159	57,372	84,573	669,030

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT

2008 financial assets past due but not impaired

	Contractual repricing/maturity date:						Total financial assets \$'000
	Not overdue \$'000	Less than 30 days \$'000	Overdue			Total overdue \$'000	
			30-60 days \$'000	61-90 days \$'000	More than 90 days \$'000		
Financial assets							
Receivables	392,491	18,734	25,969	2,806	41,294	88,803	481,294
Total	392,491	18,734	25,969	2,806	41,294	88,803	481,294

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

60. Financial instruments (continued)

(b) Credit risk exposure (continued)

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT							
2009 impaired financial assets							
	Contractual repricing/maturity date:						
				Overdue			
	Not overdue	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total overdue	Total financial assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Receivables	..	631	915	1,502	54,645	57,693	57,693
Total	..	631	915	1,502	54,645	57,693	57,693

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT							
2008 impaired financial assets							
	Contractual repricing/maturity date:						
					Overdue		
	Not overdue	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total overdue	Total financial assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Receivables	1	305	48	552	24,739	25,644	25,645
Total	1	305	48	552	24,739	25,644	25,645

(c) Liquidity risk

Treasury Department is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation for the Floating Rate and Government Debt Pools.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal and interest amounts in future years.

Treasury Department

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

60. Financial instruments (continued)

(c) Liquidity risk (continued)

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT				
Note	2009 payable in			Total
	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	\$'000
Financial liabilities				
Payables	54	663,295	..	663,295
Sundry liabilities	57	4,145	..	4,145
Commonwealth borrowings	56	10,056	36,873	66,799
QTC borrowings	56	..	10,283,457	10,283,457
Total		677,496	36,873	11,017,696

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT				
Note	2008 payable in			Total
	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	\$'000
Financial liabilities				
Payables	54	476,391	..	476,391
Sundry liabilities	57	12,428	10	12,438
Commonwealth borrowings	56	9,258	35,705	72,212
QTC borrowings	56	208,743	4,885,788	5,094,531
Total		706,820	35,705	5,655,572

(d) Market risk

Queensland Treasury does not trade in foreign currency and is not exposed to commodity price changes. The department is exposed to interest rate risk through its borrowings and cash deposited in interest bearing accounts. Queensland Treasury does not undertake any hedging in relation to interest risk.

Interest rate sensitivity analysis

The following interest rate sensitivity analysis depicts the outcome to the deficit if interest rates were to change by +/- 1% from the year end rates applicable to Queensland Treasury's financial assets and liabilities. Queensland Treasury would have a surplus/deficit and equity increase/decrease of \$3.869M (2008:\$27.621M). This is mainly attributable to the department's exposure to variable interest rates on its borrowings from QTC and the Commonwealth and on its decreased cash holdings.

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

60. Financial Instruments (continued)

(d) Market Risk (continued)

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT					
Financial instruments	Carrying amount \$'000	2009 Interest rate risk			
		-1%		1%	
		Surplus	Equity	Surplus	Equity
		\$'000	\$'000	\$'000	\$'000
Cash	408,766	(4,088)	(4,088)	4,088	4,088
Commonwealth borrowings	66,799	668	668	(668)	(668)
QTC borrowings - FRDP	547	5	5	(5)	(5)
QTC borrowings - GDP	7,616,895	7,284	7,284	(7,284)	(7,284)
Overall effect on deficit and equity		3,869	3,869	(3,869)	(3,869)

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT					
Financial instruments	Carrying amount \$'000	2008 Interest rate risk			
		-1%		1%	
		Surplus	Equity	Surplus	Equity
		\$'000	\$'000	\$'000	\$'000
Cash	3,813,099	(38,131)	(38,131)	38,131	38,131
Commonwealth borrowings	72,212	722	722	(722)	(722)
QTC borrowings - FRDP	571,332	5,713	5,713	(5,713)	(5,713)
QTC borrowings - GDP	3,077,645	3,948	3,948	(3,948)	(3,948)
QTC borrowings - DeSal	208,743	127	127	(127)	(127)
Overall effect on deficit and equity		(27,621)	(27,621)	27,621	27,621

Fair Value

The fair value of financial assets and liabilities must be estimated for recognition and measurement and for note disclosure purposes.

The fair value of monetary financial assets and financial liabilities, other than QTC Borrowings, is based on market prices where a market exists, or is determined by discounting expected future cash flows by the current interest rate for financial assets and liabilities with similar risk profiles.

The fair value of trade receivables and payables are assumed to approximate their nominal value less estimated credit adjustments.

Treasury Department

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

60. Financial Instruments (continued)

(d) Market Risk (continued)

Held to maturity financial assets are measured at cost (see note 2 (w)), as fair value can not be reliably measured, therefore no fair value is disclosed.

The carrying amounts of all financial assets and liabilities, except those disclosed below are representative of their fair value. The fair value of QTC Borrowings is determined by reference to published price quotations in an active market and reflects the value of the debt if the department repaid it in full at balance date. It is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

ADMINISTERED ON BEHALF OF WHOLE-OF-GOVERNMENT				
<i>Fair Value</i>				
	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Receivables	669,030	672,997	481,294	469,018
	669,030	672,997	481,294	469,018
Financial liabilities				
Commonwealth borrowings	66,799	64,482	72,211	66,761
QTC borrowings	7,617,442	7,693,099	3,857,720	3,858,885
Total	7,684,241	7,757,581	3,929,931	3,925,646

Treasury Department

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

61. Trust transactions and balances

As the department performs only a custodial role in respect of these transactions and balances they are not recognised in the financial statements but are shown here for disclosure purposes.

Fund name	Description	Audit arrangements
Companies Liquidation Account	Records unclaimed dividends and other monies deposited by the liquidator of a company and the disposal of those monies pursuant to the Corporations Law.	Auditor-General of Queensland
Local Government General Rates Equivalent Regime	The Local Government General Rates Equivalent Regime collects general rates equivalents on port land in commercial use by Government-owned concerns and is then forwarded to local governments.	Auditor-General of Queensland
Services Provision Fund	Microsoft provides funding based on a percentage of the total purchases made by Government agencies into the Government Information Technology Committee Services Provision Fund (GITC SPF) each year. The GITC SPF is used to fund Queensland Government projects that meet certain criteria.	Auditor-General of Queensland
Friendly Societies	See note (a) below.	Auditor-General of Queensland
Security Deposits	See note (a) below.	Auditor-General of Queensland
Public Sector Management Board Courses	See note (a) below.	Auditor-General of Queensland
Queensland Health, Residents and Patients' Trusts	See note (a) below.	Auditor-General of Queensland
Trust Company Security Deposits	See note (a) below.	Auditor-General of Queensland
Treasurer's Unclaimed Monies Fund	Records unclaimed monies received at the Treasury Department from departments and payment of monies subsequently claimed in accordance with the <i>Financial Administration and Audit Act 1977</i> .	Auditor-General of Queensland

- (a) Funds held by 'The Treasurer of Queensland' as constituted under Section 43 of the *Financial Administration and Audit Act 1977* on behalf of other bodies which do not have the power to invest in their own right or who are required to lodge security or other deposits.

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Treasury Department	Treasury Department
2009	2008
\$'000	\$'000

61. Trust transactions and balances (continued)

Expenses and revenue administered on behalf of other entities		
Administered expenses		
Transfers to other government entities	3,279	2,589
Administration charges	1	1
Claims and settlements	246	279
Special payments	1,364	1,311
Services Provision Fund claims	4,696	948
Interest expense	41	377
Total administered expenses	9,627	5,505
Administered revenues		
Interest income	65	93
Tax equivalent receipts	1,575	1,328
Unclaimed monies	4,912	3,679
Services Provision Fund revenue	624	1,490
Total administered revenues	7,176	6,590
Net surplus/(deficit)	(2,451)	1,085

Assets and liabilities administered on behalf of other entities		
Administered current assets		
Cash at bank		
Local Government General Rates Equivalents Regime	339	127
Services Provision Fund	2,550	6,032
Treasurer of Queensland Deposits	1,217	1,201
Treasurer's Unclaimed Monies Fund	12,075	10,689
Total	16,181	18,049
Receivables		
Services Provision Fund	..	404
Total	..	404
Investments		
Government and other bonds	803	890
Total	803	890
Total administered assets	16,984	19,343
Total administered liabilities	(193)	(12)
Net Assets	16,791	19,331

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	Treasury Department	Treasury Department
	2009	2008
	\$'000	\$'000

61. Trust transactions and balances (continued)

Cash flows administered on behalf of other entities		
<i>Inflows:</i>		
Interest income	65	93
Tax equivalents	1,575	1,328
Unclaimed monies	4,912	3,679
Services Provision Fund income	624	1,490
Decrease in accounts receivable	404	..
Increase in repayment of deposits held	..	18
Increase in creditors payable	188	..
Increase in other deposits held		8
	7,768	6,616
<i>Outflows:</i>		
Payments to local governments	1,364	1,311
Administration fees	1	1
Interest expenses	41	377
Claims and settlements	246	279
Services Provision Fund claims	4,696	948
Transfers to Consolidated Fund	3,279	2,589
Increase in prior year adjustment	..	18
Decrease in other deposits payable	8	..
Increase in accounts receivable	..	404
Decrease in creditors payable	..	585
	9,635	6,512
Net cash inflows/(outflows) administered on behalf of other entities	(1,867)	104

Treasury Department
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

62. Transfer Payments

Following agreement by the Ministerial Council for Federal Financial Relations, Commonwealth funding arrangements to the States were amended. Previously, payments under the Intergovernmental Agreement on Federal Financial Relations were made from the relevant Commonwealth Government agency to the relevant State or Territory agency. Under the new agreement, all payments are made from the Commonwealth Treasury to the State and Territory Treasuries. These payments represent Specific Purpose Payments, National Partnership Payments and general revenue assistance. This arrangement came into effect 1 January 2009.

The agreement specifies that "where a payment to a State or Territory includes a nominated amount in respect of a third party – for example, non-Government schools and local governments – that State or Territory will on-forward that payment to the third party in a timely manner".

Queensland Treasury has no discretion as to the amount or timing of the amounts to on-pass and therefore acts as an agent in respect of such payments to third parties. Subsequently, these amounts are not receipted but are on-passed directly to the relevant department for payment to the third party. Amounts received from the Commonwealth for on-passing to third parties in 2008-09 totalled \$267.415M as follows:

Emergency Services	\$ 8.128M
Fire and Rescue	\$ 0.563M
Non-Government Schools	\$195.256M
Queensland Rural Adjustment Authority	\$ 63.468M

63. Adjustments to comparatives - Administered

An analysis of Treasury's 'administered' Equity balance at 30 June 2009 indicated the need for a number of adjustments to the comparative opening and closing balances in the 2008 published financial statements. These adjustments date from the transition from cash to accrual accounting in 1997-98 and are disclosed as required under AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*:

Account	Opening 2008	Adjustment	Restated opening 2008	Note	Restated closing 2008*
	\$'000	\$'000	\$'000		\$'000
Assets:					
Transfers to Government – Prepayments (Note 53)	Nil	98,783	98,783	1	98,783
Receivables – Other (Note 52)	Nil	158,327	158,327	2	158,327
Liabilities:					
Transfers to Government – Payables	(47,298)	(265,030)	(312,328)	3	(357,478)
Equity – Retained Surpluses:					
Retained Surplus (Equity) **	(111,264)	7,920	(103,344)	4	(86,299)

* The restated 2008 opening balances have impacted on the restated 2008 closing balances to the extent of the adjustments shown above.

** Refer also to the Administered Statement of Changes to Equity.

Notes

- Represents prepayments to the Consolidated Fund for unearned revenue since the commencement of accrual accounting in 1997-98, for which no corresponding prepayments were recognised in the Balance Sheet.
- Mainly represents a duplicated payment of \$205.364M to the Consolidated Fund in 2006-07 based on an accrued payable to the Fund in 2005-06, less reimbursement to the Consolidated Fund of amounts received for bad and impaired debts of \$49.219M.
- Mainly represents accrued revenues of \$222.245M recognised in the 1997-08 opening Balance Sheet for which no corresponding accrued payable to the Consolidated Fund was recognised in the Balance Sheet.
- Represents the net adjustment to Equity – Retained Surpluses as a result of notes 1-3.

Treasury Department and controlled entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

64. Adjustments to comparatives - Controlled

As a result of the incorrect capitalisation of certain CorpTech salaries and other costs as intangible assets – work in progress (in lieu expensing the costs in the year they were incurred), adjustments are required to the comparative expense categories, balance for intangible assets – work in progress and retained surpluses in Treasury's 2008 published financial statement.

Account	Original 2008 \$'000	Adjustment \$'000	Restated 2008 \$'000
Income Statement:			
Employee Expenses (Note 10)	190,026	1,141	191,167
Supplies and Services (Note 11)	148,026	1,712	149,738

Account	Opening 2008	Adjustment 2006-07	Restated opening 2008	Adjustment 2007-08	Restated closing 2008
Balance Sheet:					
Intangibles – Work in Progress (Note 21)	164,114	(11,035)	153,079	(2,853)	175,650
Statement of Changes in Equity					
Retained Surpluses	189,628	11,035	178,593	2,853	49,841

CERTIFICATE OF THE TREASURY DEPARTMENT


These consolidated general purpose financial statements have been prepared pursuant to section 40(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with section 40(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Treasury Department for the financial year ended 30 June 2009 and of the financial position of the department at the end of that year.



T BROOME CA
Chief Finance Officer

11 August 2009



G BRADLEY CPA, FCA
Under Treasurer

11 August 2009

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Treasury Department

Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of the Treasury Department for the financial year ended 30 June 2009 included on the Treasury Department's website. The Accountable Officer is responsible for the integrity of the Treasury Department's website. I have not been engaged to report on the integrity of the Treasury Department's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Treasury Department, to confirm the information included in the audited financial report presented on this website.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Report on the Financial Report

I have audited the accompanying financial report of the Treasury Department, which comprises the balance sheets and statements of assets and liabilities by outputs/major activities as at 30 June 2009, and the income statements, statements of changes in equity, cash flow statements and income statements by outputs/major activities for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the certificates given by the Under Treasurer and the Chief Finance Officer of the consolidated entity comprising the Department and the entities it controlled at the year's end or from time to time during the financial year.

Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility to express an opinion on the financial report based on the audit is prescribed in the Auditor-General Act 2009. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report and any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

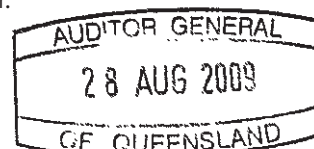
In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Treasury Department and the consolidated entity for the financial year 1 July 2008 to 30 June 2009 and of the financial position as at the end of that year.



G G POOLE FCPA

Auditor-General of Queensland



Queensland Audit Office
Brisbane

Appendices

Overseas travel

Name of officer and position	Destination	Reason for travel	Agency cost	Contribution from other agencies or sources
Mike Sarquis*, Executive Director, Office of Liquor, Gaming and Racing (OLGR) Colm Cunningham*, Manager (Technical Unit), OLGR	Italy (September/October 2008)	Attend 2008 International Association of Gaming Regulators Conference, including development and maintenance of interjurisdictional relationships and awareness of international best practice.	\$20,691	NIL
Gerard Bradley, Under Treasurer	United Kingdom, United States (October 2008)	Participate in Queensland Treasury Corporation (QTC) Overseas Investor Relations Program, including meetings with prospective investors.	\$2,730	\$18,176 (QTC)
Leigh Pickering, Director, Fiscal and Taxation Policy	New Zealand (October 2008)	Participate in Queensland Treasury Corporation New Zealand promotion tour, including meetings with prospective investors.	NIL	\$5,500 (QTC)
Linda Woo*, Deputy Executive Director, OLGR	Canada (December 2008)	Attend Discovery 2008 Conference to develop and maintain interjurisdictional relationships and research current technologies, responsible gambling initiatives and prevention programs.	\$13,929	\$3,296 (Responsible Gambling Council)
David Torpie, Principal Statistician, Office of Economic and Statistical Research	United States (December 2008)	Deliver presentation on the Queensland Government Information Licensing project at the Creative Commons Technical Summit, including forming a collaborative agreement with Creative Commons to progress common technical work.	NIL	\$5,942 (Cooperative Research Centre for Spatial Information)

* Treasury's liquor, gaming and racing functions moved to the new Department of Employment, Economic Development and Innovation in March 2009.

Consultancies

Actual expenditure - end of financial year

Consultancies	
Finance and accounting	\$986,709
Management	\$94,143
Professional and technical	\$14,502,605

Table excludes payments to consultants by the Office of Liquor, Gaming and Racing post their machinery-of-Government transfer to the Department of Employment, Economic Development and Innovation (26 March 2009)

Freedom of information

Queensland Treasury is committed to providing the community with open and transparent access to information about our structure, the things we do (services and activities) and the types of documents we hold.

How can I access information that isn't published or publicly available?

The *Freedom of Information Act 1992* will be repealed on 1 July 2009 and will be replaced by the *Right to Information Act 2009*.

The *Right to Information Act 2009* aims to make more information available, provide equal access to information across all sectors of the community and provide appropriate protection for individuals' privacy. Reforms to the Freedom of Information (FOI) laws and the introduction of the new *Information Privacy Act 2009* are also part of this process.

In the meantime, if the information or document you need is not publicly available under a new publication scheme which replaces the Statement of Affairs under the FOI Act, you can request access to it after 1 July 2009 under the *Right to Information Act 2009*. You can also request changes to any personal information we might have about you through the *Information Privacy Act 2009* which commences on 1 July 2009.

How do I request access to documents held by Treasury or amend my personal records?

You can request access to information or documents held by Treasury, or a change to your personal records, in a number of ways. You can send us a completed application form which is available on the Treasury website or contact Treasury so one can be provided. Our contact details are below. An application fee applies to requests for non-personal information. See the **'application and processing fees'** section in the next column.

Making an application

Complete an application form and return it to us

You can apply for access to information or documents held by Treasury using the approved form or request a change to your personal records by using the approved form, which will be available from the Right to Information section of the Treasury website. If you prefer, we can post or email the form to you. Contact us for more information. You can also submit an online application on the website.

Applying in writing

If you apply for access to information or documents held by Treasury in writing using the approved form, please make sure you clearly state the type of information or document you want access to, as well as the address to where we should send notification of the decision. A \$38 application fee applies. See the next column for more information about fees.

Request to amend personal records

Written requests using the approved form to amend personal records must clearly:

- state the amendments you wish to have made
- describe why you believe the information needs changing (is it incomplete, incorrect, out-of-date or misleading, etc?)
- state the address to where we should send notification of the decision.

An application fee does not apply to requests to amend personal information, however proof of identification is needed. Please contact us for further details.

Are there application and processing fees?

There are no fees or charges for processing applications regarding documents about your personal information or to request changes to your personal details. Application and processing fees only apply to requests for non-personal information or documents. Fees may be payable for accessing some personal information.

Application fees

An application fee of \$38 applies to requests for non-personal information held by Treasury.

Processing fees

Processing fees for non-personal information are charged at the rate of \$5.80 for each 15 minutes or part thereof. Photocopies of documents are available at 20 cents per photocopied page.

Treasury is able to provide electronic copies of information released under an application which will reduce costs for non-personal applications.

We will also provide access to a reading room for applicants or members of the community where copies of a number of publications will be made available for viewing. This must be organised by prior arrangement. Contact the Administrative Review Unit for more information.

Contact details

If you have any questions or need further information about Right to Information, contact Treasury's Administrative Review Unit on the details below.

Phone

(07) 3224 4171

Fax

You can fax applications to (07) 3224 2981.

Email

rti@treasury.qld.gov.au

Website

<http://www.treasury.qld.gov.au/about/right-to-information/index.shtml>

Address

Level 7, Executive Building,
100 George Street, Brisbane.

Our postal address is:

Manager, Administrative Review
Queensland Treasury
GPO Box 611
Brisbane Qld 4001

Statutory responsibilities

Statutory authority	Legislative basis under which the body was established
Motor Accident Insurance Commission	<i>Motor Accident Insurance Act 1994</i>
Nominal Defendant	<i>Motor Accident Insurance Act 1994</i>
Queensland Competition Authority (jointly administered by the Treasurer and the Premier)	<i>Queensland Competition Authority Act 1997</i>

The Treasurer is a joint Minister for the following entities which were established under the *South East Queensland Water (Restructuring) Act 2007*:

- Queensland Bulk Water Supply Authority: responsibility shared with the Minister for Natural Resources, Mines and Energy and Minister for Trade.
- Queensland Bulk Water Transport Authority: responsibility shared with the Minister for Natural Resources, Mines and Energy and Minister for Trade.
- Queensland Manufactured Water Authority: responsibility shared with the Minister for Natural Resources, Mines and Energy and Minister for Trade.
- SEQ Water Grid Manager: responsibility shared with the Minister for Natural Resources, Mines and Energy and Minister for Trade.

Publications

Queensland Treasury produces a range of publications, guidelines, forms and other documents on topics such as:

- each year's State Budget
- State financial reports
- economic policy and governance
- public sector financial reporting
- economic and statistical research, including the Queensland Economic Review and the Queensland State Accounts
- Government-owned corporations
- state revenue, including land tax, pay roll tax and duties
- the First Home Owner Grant.

Many of these publications are available online through the Treasury website www.treasury.qld.gov.au or by contacting the relevant Treasury portfolio office (see page 128).

Treasury legislation

- Advance Bank Integration Act 1997
- Airport Assets (Restructuring and Disposal) Act 2008
- Anzac Square Development Project Act 1982
- Appropriation Act 2006
- Appropriation Act 2007
- Appropriation Act 2008
- Appropriation Act (No. 2) 2006
- Appropriation Act (No. 2) 2008
- Appropriation (Parliament) Act 2006
- Appropriation (Parliament) Act 2007
- Appropriation (Parliament) Act 2008
- Appropriation (Parliament) Act (No. 2) 2006
- Appropriation (Parliament) Act (No. 2) 2008
- Bank Integration (Bank of Queensland) Act 1993
- Bank Merger (Bank SA and Advance Bank) Act 1996
- Bank of New Zealand (Transfer of Undertaking) Act 1997
- Brisbane Markets Act 2002
- Brisbane Trades Hall Management Act 1984
- Central Queensland Coal Associates Agreement Act 1968 (Sch pt V)
- Challenge Bank (Transfer of Undertaking) Act 1996
- Commonwealth and State Statistical Agreement Act 1958
- Commonwealth Places (Mirror Taxes Administration) Act 1999
- Commonwealth Savings Bank of Australia Agreement Act 1966
- Community Ambulance Cover Act 2003
- Competition Policy Reform (Queensland) Act 1996
- Dalrymple Bay Coal Terminal (Long-Term Lease) Act 2001
- Debits Tax Repeal Act 2005
- Duties Act 2001
- Energy Assets (Restructuring and Disposal) Act 2006
- Family Security Friendly Society (Distribution of Moneys) Act 1991
- Financial Administration and Audit Act 1977 (except to the extent administered by the Premier and Minister for the Arts)
- Financial Agreement Act 1994
- Financial Intermediaries Act 1996
- Financial Sector Reform (Queensland) Act 1999
- First Home Owner Grant Act 2000
- Forestry Act 1959 (to the extent that it is relevant to State plantation forests)
- Forestry Plantations Queensland Act 2006 (jointly administered with the Minister for Primary Industries, Fisheries and Rural and Regional Queensland)
- Fuel Subsidy Act 1997
- Future Growth Fund Act 2006
- Gaming Machine Act 1991 (ss 314(1), 314(3) and 322(5))
- Government Inscribed Stock Act 1920
- Government Loan Act 1986
- Government Loans Redemption and Conversion Act 1923
- Government Owned Corporations Act 1993
- Government Stock Act 1912
- GST and Related Matters Act 2000
- Judges (Pensions and Long Leave) Act 1957 (s17)
- Land Tax Act 1915
- Liquor Act 1992 (ss 219(2), 219(3) and 220(3))
- Motor Accident Insurance Act 1994
- Mutual Recognition (Queensland) Act 1992
- New Tax System Price Exploitation Code (Queensland) Act 1999
- Pay-roll Tax Act 1971
- Petroleum Products Subsidy Act 1965
- Public Officers' Superannuation Benefits Recovery Act 1988
- Queensland Competition Authority Act 1997 (jointly administered with the Premier and Minister for the Arts)
- Queensland Investment Corporation Act 1991
- Queensland Nickel Agreement Act 1970 (all financial and related matters)
- Queensland Treasury Corporation Act 1988
- South East Queensland Water (Restructuring) Act 2007 (including as a Responsible Minister for the purposes of Chapter 2 of this Act)
- State Bank of South Australia (Transfer of Undertaking) Act 1994
- State Financial Institutions and Metway Merger Facilitation Act 1996
- Statistical Returns Act 1896
- Statutory Authorities (Superannuation Arrangements) Act 1994
- Statutory Bodies Financial Arrangements Act 1982
- Superannuation (Public Employees Portability) Act 1985
- Superannuation (State Public Sector) Act 1990
- Taxation Administration Act 2001
- Tobacco Products (Licensing) Act 1988
- Trans-Tasman Mutual Recognition (Queensland) Act 2003

Glossary

Australia and New Zealand School of Government (ANZSOG)	A not-for-profit Australian organisation that provides strategic management and high-level policy training to public sector leaders
Community Ambulance Cover	A levy collected by electricity retailers and suppliers on behalf of the Queensland Government to help fund the Queensland Ambulance Service
Council of Australian Governments (COAG)	The peak intergovernmental forum in Australia comprising the Prime Minister, state premiers, territory chief ministers and the President of the Australian Local Government Association
Economic indicators	Statistics which describe or analyse levels or changes (both historical and anticipatory) in economic performance.
Economic modelling	Application of a formal logical and quantitative framework for analysing economic issues, projections or policy options.
First Home Owner Grant	A Federal Government grant administered in Queensland by Queensland Treasury which is designed to reduce the cost of purchasing a first home
Fuel Subsidy Scheme	A subsidy paid directly to fuel retailers to reduce fuel prices in Queensland. The Fuel Subsidy Scheme was abolished on 1 July 2009
Government-owned corporation	Government-owned trading enterprises which conduct activities and provide services in a commercially orientated environment
Land tax	A State tax on freehold land assessed on the taxable value of an owner's total land holdings
OSR Connect	Office of State Revenue's revenue management system which enables clients to self-assess and pay taxes online
Payroll tax	A State tax that needs to be paid if a company pays more than \$1 million per year in taxable wages
Queensland Future Growth Corporation	A statutory body that administers the Queensland Future Growth Fund, which provides funding for initiatives, infrastructure and other projects which benefit Queensland
Queensland Office for Regulatory Efficiency (QORE)	Office within Treasury responsible for leading and directing national and state regulatory reform agendas across the Queensland Government to increase Queensland's productivity and competitiveness.
Service Delivery Statement (SDS)	Budget Papers prepared on a portfolio basis by individual agencies reporting to each Minister and the Speaker and which set out the priorities, plans and financial statements of those agencies.
Smart Regulation Reform Agenda	A reform agenda led by the Queensland Office for Regulatory Efficiency to streamline and improve the quality of regulation to benefit business, community and government through reduced unnecessary compliance and administrative burden.
Toward Q2: Tomorrow's Queensland	The Government's plan to build and maintain a strong, smart, green, healthy and fair Queensland that addresses current and future challenges for Queensland.

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Queensland Future Growth Corporation

Phone +61 7 3224 5575
GPO Box 611
BRISBANE QLD 4001

Feedback

We are committed to continually improving our annual report. To help us do this, we welcome your feedback. Contact us and tell us what you think by:

Email: annualreport@treasury.qld.gov.au

Mail: Communication Services Unit
Queensland Treasury
GPO Box 611
BRISBANE QLD 4001

Online: Accessing our feedback form, available with our online annual report at www.treasury.qld.gov.au.

Complaints management

While Treasury seeks to minimise the number of complaints received, sound management and analysis of complaints enables the department to improve the services delivered to clients.

To achieve this, and to support an initiative of the Queensland Ombudsman, Treasury has implemented systems and guidelines and is continuing to train Treasury staff to equip them to deal with complaints promptly and professionally.

Privacy

Treasury is committed to our clients' privacy and complies with the Information Privacy Principles as detailed in the Treasury Privacy Plan. This plan is available from all Treasury offices or the Treasury website.

If you have any questions relating to privacy, please write to:

Privacy Contact Officer
Queensland Treasury
GPO Box 611
Brisbane 4001
Phone (07) 3224 4171

If you believe Treasury or a member of its staff is in breach of any of the Information Privacy Principles regarding the collection, access, storage, use or disclosure of personal information, you may lodge a written complaint to the department at the above address or email your complaint to privacy@treasury.qld.gov.au

Information on the complaints process is contained in the *Treasury Privacy Plan* published on the Treasury website.

From 1 July 2009, the *Information Privacy Act 2009* will take effect in Queensland to strengthen the Government's ability to protect personal information held in the delivery of Government services and the conduct of Government business. The Treasury Privacy Plan will cease to exist on 1 July 2009 and will be replaced by a privacy policy in due course. For more information about privacy, please visit the Treasury website.

Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds.

If you have difficulty understanding this annual report, contact us on +61 7 3224 5908 between 9am-5pm, Monday to Friday (except public holidays). We will arrange an interpreter to communicate the report to you.

